The China Weekly REVIEW

密勒氏評論報

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SATURDAY, JANUARY 31, 1931 VOLUME 55, NUMBER 9

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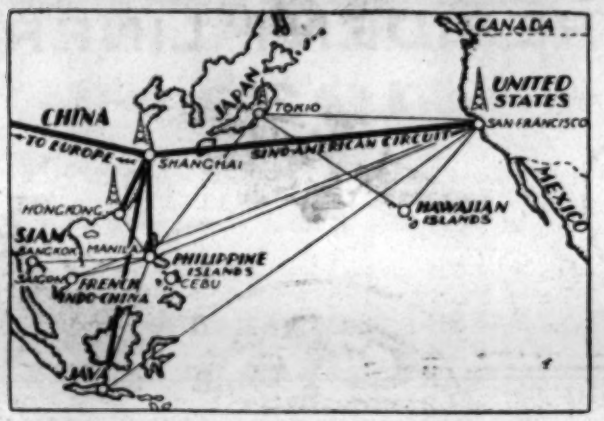

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PRES. PIERCE	33	MAR 27		APR 15	
PRES. JACKSON	28	APR 3		APR 21	MAY 9
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PRES. LINCOLN	34	MAY 6	MAY 19		
PRES. CLEVELAND	34	MAY 15		JUNE 2	JUNE 20
PRES. MADISON	29	MAY 20	JUNE 2		
PRES. PIERCE	34	MAY 29		JUNE 16	JULY 4
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PRES. JOHNSON	8	JUNE 12		JUNE 30	JULY 18
PRES. JEFFERSON	29	JUNE 17	JUNE 30		
PRES. WILSON	24	JUNE 26		JULY 14	AUG 1
PRES. LINCOLN	35	JULY 1	JULY 14		
PRES. JACKSON	29	JULY 10		JULY 28	AUG 15
PRES. MADISON	30	JULY 15	JULY 28		
PRES. McKINLEY	29	JULY 24		AUG 11	AUG 29
PRES. TAFT	35	JULY 29	AUG 11		
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PRES. LINCOLN	36	AUG 26	SEPT 8		
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PRES. LINCOLN	37	OCT 21	NOV 3		
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PRES. MADISON	32	NOV 4	NOV 17		
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PRES. JEFFERSON	32	DEC 2	DEC 15		
PRES. PIERCE	36	DEC 11		DEC 29	JAN 16
PRES. LINCOLN	38	DEC 16	DEC 29		
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The China Weekly REVIEW

Formerly Millard's Review

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NOTICE

THE CHINA WEEKLY REVIEW HAS DISCONTINUED ALL CONNECTION WITH THE WORLD WIDE NEWS ASSOCIATION, FORMERLY ITS BUSINESS REPRESENTATIVE IN NEW YORK. DATING FROM MARCH 1, 1930 ALL SUBSCRIPTIONS OR INQUIRIES PERTAINING TO ADVERTISING OR SUBSCRIPTION SHOULD BE SENT DIRECT TO THE OFFICE OF PUBLICATION, No. 38 AVENUE EDWARD VII, SHANGHAI, CHINA.

WASHINGTON BUREAU

J. J. Underwood—Correspondent

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ARNHOLD BROTHERS AND THE THREATENED RAID ON THE SETTLEMENT TREASURY

THE Arnhold brothers, or to be specific Harry Arnhold and his brother Charles H. Arnhold, both wrote letters to the Shanghai newspapers last week criticising the policy of the Municipal Council of the International Settlement for ordering a discontinuance of the local British dog-racing, pari-mutuel gambling resorts. Charles H. Arnhold, whose letter was chiefly in criticism of the *North-China Daily News* because of its editorial support of the Council's closure policy, is a director of Luna Park, the leading British dog-gambling resort, the recent annual report of which disclosed a profit of more than $300,000. Harry Arnhold, the brother of Charles, who formerly was Chairman of the Municipal Council, advocated that the taxpayers of the Settlement should reimburse the stock-holders of the dog-resorts in the event the resorts are closed in accordance with the Council's present policy. Harry Arnhold also insulted the intelligence and moral convictions of a majority of the foreign and Chinese residents of the Settlement by implying that the agitation against the dog-gambling joints was solely inspired by persons and interests who are connected with other forms of gambling, particularly roulette.

In the issue of *The Review* for Jan. 10 there was published an article disclosing the "men and the interests behind dog-race, pari-mutuel gambling in the International Settlement." In this article it was shown that Charles H. Arnhold and S. S. Sellick, both directors of Luna Park are also directors of Arnhold and Company, Ltd., a subsidiary organization of the British-Indian Sassoon (Jewish) interests which have large real estate investments in the International Settlement. Also, it was shown that Harry Arnhold, the governing director of Arnhold and Company, Ltd., which has two of its directors on the board of Luna Park, was Chairman of the Municipal Council at the time dog-race pari-mutuel gambling under British auspices was introduced into China. At the time our previous article was published, it was stated that further disclosures on this question might shortly be available!

In both of the letters which the two British dog-racing resorts recently sent to the Municipal Council protesting against the closure order, they emphasized the fact that the Municipal Council had written the promoters of the two resorts certain letters granting them permission to open.

It was on the strength of these letters from the Secretary of the Municipal Council that the promoters of the dog-gambling resorts floated their companies, each capitalized at $500,000, the money being supplied by local residents of the Settlement who bought the shares. It now develops that these letters which the Secretary of the Council wrote to the dog-race promoters, were written while Harry Arnhold was Chairman of the Municipal Council, hence must have been sent out with his knowledge. An inspection of the original prospectus of Luna Park also discloses the significant information that Harry Arnhold, Chairman of the Municipal Council, was also and at the same time, one of the promoters of Luna Park. Hence we have the spectacle of an elected official of the International Settlement using his official position to promote a gambling resort in which he himself, his brother and another director of his private firm were directly interested. And to make the situation still more serious, Harry Arnhold in his recent letter which was published in the local newspapers, admitted that the dog-race, pari-mutuel gambling resorts were illegal under British law, There never was any question regarding their illegality under Chinese law, hence we have the spectacle of an official of the so-called "model settlement" promoting a gambling resort which he knew was illegal under both British and Chinese laws and in which he and members of his family and private firm were directly interested. Now this same Harry Arnhold has the nerve to come out and publicly advocate that the taxpayers of the Interational Settlement, Chinese and foreign, should reimburse the shareholders of these two illegal gambling resorts in the event of closure.

As stated in a previous discussion of this question, the present Municipal Council made a serious blunder when it offered to take over the leases of the two dog-racing tracks and provide other work for the present employes, but to suggest that the Settlement should also reimburse the stockholders, is the last straw. What about the milions of dollars that the Chinese people have lost in patronizing these resorts? Who is going to make up their losses incurred through patronage of an enterprise that has netted thousands of dollars in profits to the Arnhold Brothers and their associates? Why not suggest that the Shanghai tax-payers also reimburse the families of the kidnappers who have been caught and executed on the grounds that the municipal police havedestroyedthe kidnappers' means of livelihood?

The pathetic part of the whole situation is that while these things have been going on in the International Settlement, the Municpal Council has been, at the same time, spending thousands of dollars of the tax-payers' money in propaganda and in sending agents abroad to convince Washington, and London and Tokyo and other foreign governments that the foreign status of the Settlement should be preserved against so-called Chinese encroachments. At the identical time when Harry Arnhold was Chairman of the local administration and at the same time promoting a dog-gambling resort, the Municipal Council was sending out frantic appeals to America and England to send troops here to protect the Settlement against alleged Chinese aggression. Harry Arnhold in his recent letter alleged that the Chinese authorities had forced two horse-racing tracks in Chinese territory to hand over more than a million dollars in taxes. Did he fear that the Chinese might obtain control of the Settlement and tax his dog-gambling resort in similar fashion? The local British press has made much of reports regarding "gang-government" in American cities, but one wonders whether any American city, even Chicago under "Big Bill" Thompson, can boast a worse record of gang-government than Shanghai has experienced. Three years ago Shanghai experienced the spectacle of a "gang" of foreigners, several of them officials of the Settlement, using their official positions to promote dog-gambling resorts known to be illegal under both British and Chinese laws. Now we are experiencing the even more interesting and significant spectacle of the same group trying to raid the treasury of the Settlement in order to reimburse the people who invested their money in these same gambling resorts, the illegality of which under British law was and still is unquestioned, the latest information on the subject being a statement by Lord Askwith, president of the (English) National Greyhound Racing Society, which appeared in the *Manchester Guardian* on December 13 last!

And, in the face of all these disgraceful disclosures, there are said to be supposedly intelligent persons who still advocate that the foreign status of the Shanghai Settlements should be preserved as outposts of Western culture and civilizing influence on the coast of Asia!

CHINESE POST OFFICE ISSUES REPORT ON PROGRESS

THE Director General of Posts has just issued the Report on the working of the Chinese Post Office for the year 1928. The year under review was one of readjustment. At that time the Directorate General of Posts was still stationed at Peking, but as a result of the success of the Nationlist troops along the Yangtze, culminating in the capture of Shanghai early in 1927, it became impossible for the Southern Postal districts to remain under the control of the Directorate. Thereupon, in order to facilitate supervision of postal affairs in those places already reached by the Nationalist troops, and to maintain the discipline and efficency of the staff, a directorate was established at Nanking by the Nationalist Ministry of Communications on November 1, 1927 to take charge of postal interests in the areas under the jurisdiction of the Nationalist Government. With a view to maintaining its integrity as a National service, negotiations were conducted with the Peking Directorate which resulted in the signing of an agreement of seventeen articles February 6, 1928, in Shanghai, by representatives of both sides, for the joint control of the whole service under a system of mutual reference and collaboration. The agreement outlined a scheme for a fundamental reconstruction of the Service. On the advance of the Nationalist troops to the North in June, a confidential order was given to the Peking Directorate to wind up all its affairs and make preparations for removal to the south. Consequently, in less than a month after the fall of Peking, the whole staff, with the necessary archives, was transferred to the south, and the Nanking Directorate assumed control of the entire Service. One of the results was that the Post Office was the first of all administrations to achieve unification.

No suitable accommodation, could, however, be obtained in Nanking for the Directorate and its large staff and as a result it was decided to establish the various administrative departments in Shanghai. Far-reaching schemes of reorganization were immediately taken in hand. The appellation of Chu-chang was changed to Tsung-pan (Director General) and that of Tsung-pan to Hui-pan (Co-Director General). The Director General, who had hitherto taken no part in the work of the Post Office, assumed full responsibility for all its dealings. At the same time more Chinese Commissioners were selected to work jointly with foreign Commissioners. The postal service worked under great difficulties during a large part of the year. Railway services were continually interrupted from the start of the Northern Expedition until the fall of Peking and the smooth working of mail connections was rendered impossible. Lawless elements caused disturbances in most provinces and the Postal staff suffered severely. No less than 15 couriers met their death at the hands of brigands and four more, believed to have been killed, disappeared. Forty-seven were wounded and 411 attacked by bandits. The staff of the Tsinan (Kansu) Office, a postman, and courier, were hacked to pieces by Moslem rebels in retreat, while a postmaster, two rural postmen, and three couriers in Hupeh and one postman in Kiangsi were murdered by communists. Six members of the staff were kidnapped, including three postmasters. Twenty-one postal establishments were reported as having been burnt, and 557 looted during the year.

Despite these interruptions, however, the total business of the Post Office increased. The grand total of articles of mail matter posted during the year amounted to 636½ millions — an increase of approximately 57 millions over the figures for 1927.

It was in the year 1928 that the Chinese Post Office became autonomous. A comprehensive review of the work accomplished by the Post Office during two years of autonomy, written by Solon S. C. Yang, appeared in *The Review* on January 17 last.

Question of Sino-Japanese Relations in Manchuria and Elsewhere

HENRY W. KINNEY, American propagandist connected with the Japanese Government-controlled South Manchuria Railway, who was in Shanghai last week informed local American and British newspapermen that there is no foundation for the stories which have been coming out of Manchuria for several months regarding Sino-Japanese railway competition. Said Mr. Kinney, "The reports from irresponsible Chinese sources with regard to railway construction in Manchuria have been picked up by some Japanese newspapers which ought to have known better, and have been exaggerated to some extent, with the result that the impression has been created that a fierce conflict over railway construction is impending between the Japanese and Chinese." Continuing, Mr. Kinney referred particularly to a recent report (*The Review*, Jan. 24, Page 279) that Mr. Kimura, a director of the S. M. R. is shortly proceeding to Mukden to discuss with Marshal Chang Hsueh-liang a number of important matters pertaining to Chinese railway construction in the Northeastern provinces.

According to Mr. Kinney, Director Kimura *is* going to Mukden shortly and "if the Chinese are agreeable he may discuss the various railway questions .... with the object of arriving at an understanding whereby Chinese and Japanese interests may cooperate to the best advantage .... but there is no question of forcing negotiations on the Chinese.... as a matter of fact the Japanese believe that the present moment is not opportune for the taking up of this matter (extension of the Tunhua line to the Korean border) and they are quite willing to let it rest for the present...." However, continued Mr. Kinney, any railway construction in Manchuria on a large scale "is out of the question unless large sums of money are available ... and since no such money will be available for a long time ..., the numerous reports have been tremendously exaggerated."

The following statement regarding these so-called "exaggerated reports," pertaining to Chinese railway construction and Japanese policy, appeared in the course of an interview which Mr. Kinney gave the *Shanghai Evening Post* on Jan. 22,

> "From Chinese sources, some of them outside of Manchuria, having official appearance, one hears quite often about plans for immediate construction of this and that line. The Manchurian authorities actually in charge, however, while they have outlined schemes for construction in the distant future, state very plainly that they have in mind for construction in the near future only three or four lines, and none of these are of such a nature that they can cause any question to arise of interference with Japanese railway interests.
>
> "As a matter of course the Chinese have the right to construct railway lines wherever they please in Manchuria, as long as these do not violate the Sino-Japanese Agreement of 1905, whereby China undertook not to construct any main line in the neighborhood of and parallel to the South Manchuria Railway, or any branch line which might be prejudicial to the interst of the above mentioned railway, and which do not interfere with existing Sino-Japanese railway agreements.
>
> "The Japanese wish to construe the terms of these agreements very liberally and, while it may be regarded as certain that the Japanese Government would not tolerate a direct and evident violation of Japanese rights the fact that Japan has not prevented the construction of a couple of lines which might very well be deemed to violate the agreement, shows that Japan has a liberal spirit towards the Chinese.
>
> "As a matter of fact, the vast territory of Manchuria —which is as large as Germany and France together— affords ample space for railway construction by the Chinese, and the building of a new port at Hulutao will give an opportunity for the building of a great network of railways which will develop a good territory northwest of that port.
>
> "On the whole, anyone who knows about conditions in Manchuria can see that the rumors about the construction of a vast network of Chinese railways in Manchuria in the near future is absurd, particularly at this time when the existing railways are having a harder time financially than they have ever had before, and when many of the existing Chinese railways are losing money.
>
> "The railways which the Chinese are working on at present, and the couple of lines which the Manchurian authorities are actually thinking of building in the near future are of such a nature that they will help the development of Manchuria and will benefit all nationalities interested in this region."

If these statements by Mr. Kinney are correct, one is therefore led to wonder regarding

other reports, also from official or semi-official sources, alleging that the railway question in Manchuria is rapidly approaching a crisis. For example *Reuters* telegraphed a report from Tokyo on Jan. 22 stating that K. Hayashi, Japanese Consul-General in Mukden "had initiated negotiations with the Manchurian authorities regarding railway construction in Manchuria," but later on in the same dispatch it was stated that the Japanese Foreign Office "was unable to confirm or refute" these reports. However, the semi-official Japanese *Rengo* service issued a report from Peiping on Jan. 21 declaring that the Chinese authorities in Manchuria "are expected to take a very strong attitude in the proposed negotiations which the Japanese authorities are about to institute in regard to the question of railway construction in Manchuria." Continuing, this dispatch claimed "that even if Japan should confine her propositions to the minimum, China will go so far as to demand the abandonment of some of Japan's acquired rights in the matter of railway construction and other pending Manchurian railway questions."

As to the specific matters which Japanese Consul-General Hayashi and S. M. R. Director Kimura intend to discuss with Marshal Chang, they were mentioned in a *Reuter* report from Tokyo on Jan. 13:

> 1—Completion of the Kirin-Tunhwa Railway to the Korean border.
>
> 2—Repayment of Japanese loans to Mukden for the construction of the Taonan-Tsitsihar and Kirin-Tunhwa lines.
>
> 3—China's violation of the agreement not to construct railway lines paralleling the (Japanese) South Manchuria line.

Without a close inspection of the Manchurian map it is impossible for the average newspaper reader to understand all the ins and outs of these questions, but briefly they constitute phases of the so-called "battle of railways" which Mr. Kinney attempted to minimize, but which nevertheless exists between the Chinese and Japanese interests in Manchuria. To take up the three issues separately, the Japanese are anxious to have the railway line which extends eastward from Changchun to Kirin and beyond, extended to the Korean border so as to connect with the Japanese railway system in Korea. Although they borrowed money from the Japanese to build a portion of this line, the Chinese have refused to complete it to the Korean border due to the fear that it would be used by the Japanese for sending troops into Chinese territory, similar to what has happened in the case of the S. M. R. line. Looking at the question from the Japanese side, they want the line completed for several reasons, the most important probably being military, as it would enable them to transport troops into the section of Kirin province adjacent to Korea which is largely populated by Korean emigrees. Also it would enable the Japanese to send troops into the hinterland of Vladivostok in the event of trouble with the Soviet Russians. A further Japanese reason is commercial, as the completion of the Kirin-Tunhwa line would tend to draw the products,—agricultural, mineral and forestry—of southern Kirin into the Japanese zone of Korea and particularly to a new port on the northeastern Korean coast located a short distance from Vladivostok. The second question, pertaining to defaulted loans to the Taonan-Tsitsihar and Kirin-Tunhwa lines, represents Japanese money advanced to the Chinese authorities in Manchuria for specific purposes. The Taonan-Tsitsihar railway penetrates the Russian sphere in North Manchuria, long an ambition of the Japanese. As for the loan to the Kirin-Tunhwa line, the purpose already has been stated. The completion of these lines, some constructed with private Chinese money, others with provincial funds and still others with money borrowed from the Japanese has had the effect, or shortly will have the effect of breaking the Japanese S. M. R. monopoly. A *Kuomin* dispatch from Mukden on Jan. 23 stated that the Chinese have inaugurated a through service between Peiping and Tsitsihar for both passengers and freight, thus drawing business away from both the Japanese S. M. R. line and the Soviet-controlled Chinese Eastern railway. The new Chinese lines are badly constructed and inefficiently managed, but despite these handicaps they constitute competition for the foreign controlled railways—competition particularly in the transport of Chinese peasant farmers to Manchuria which has heretofore constituted a profitable enterprise for the Japanese line.

While these matters are now prominent in the relations of China and Japan, they do not cover all of the questions which are complicating Sino-Japanese relations. A few weeks ago Dr. C. T. Wang, National Foreign Minister, sent the Japanese a note asking them to appoint delegates to discuss the question of the retrocession of the Hankow Japanese concession. The Japanese Foreign Minister is reported to have replied to this question in a conciliatory manner, but recently when Dr. Wang was in Tientsin attending the ceremonies in connection with the retrocession of the Belgian concession in that city, the Japanese military took advantage of the occasion to stage a demonstration in *their* Tientsin concession, this gesture on the part of the Japanese military constituting *their reply* to Dr. Wang's note regarding the Hankow concession. While the present administration in Tokyo is committed to a so-called "friendship" or conciliatory policy toward China, this does not mean that the Japanese War Department, or military faction concurs. On Jan. 24 Baron Shidehara, Foreign Minister and Acting Premier, was severely criticised in the Japanese House of Representatives because of his "weak-kneed" policy toward China, the critic being Yosuke Matsuoka, prominent Seiyukai (opposition) politician who formerly served as vice-president of the S. M. R. He declared that the policy of the present administration "would ultimately result in Japan's loss of her acquired rights in China," This attack on the present Japanese administration's China policy apparently resulted from Baron Shidehara's conciliatory address at the opening of the Imperial Diet on Jan. 22. In his address, the Foreign Minister and Acting Premier stressed the importance of Sino-Japanese cooperation and goodwill in the solution of outstanding problems. In special reference to Manchurian questions he said, "We now propose to exert every endeavor to settle the Manchurian railway questions on these lines. We have no intention of seeking unfair or selfish terms or to disregard China's legitimate aspirations. Nor can it be believed that China harbors any design to reduce the South Manchuria Railway to ruin. Such a scheme, even if contemplated, would hardly be capable of ultimate realization."

With the exception of the period when the late General-Baron Tanaka and the military party

were in control of the Japanese Government, there has been a general improvement in Sino-Japanese relations, since the Washington Conference in 1921-1922. But even with all the talk about "friendship" and "conciliation," Japan has relinquished very few if any of her so-called "special interests." Japan is still hanging on to exterritoriality and ignoring the Chinese courts despite the fact that the Sino-Japanese treaty has expired. Japan did withdraw her troops from Shantung, but only after having suffered heavy losses from the Chinese boycott. Japan has made no move to relinquish control of any of her concessions and if present indications are any guide to possible developments, the Japanese military interests do not intend to step back a single inch in Manchuria. As a matter of fact the Japanese have greatly strengthened their military position in South Manchuria in the past two years, through the transfer of their main military headquarters to Changchun and the construction of barracks in that Chinese city that are equipped to accommodate 40,000 troops. The South Manchuria Railway, as any intelligent person who has traveled over the line must realize, is not a commercial railway, but a military proposition throughout. The Japanese Premier and Foreign Minister may talk about adjusting this question, but nothing can be accomplished without the consent of the military and the military has no intention of relinquishing anything! In many lines of trade, particularly in iron resources, the Japanese have China under complete control, it being impossible for any Chinese in Shanghai or elsewhere to purchase a ton of their own China-produced pig-iron, except from the Japanese. A somewhat similar, although not so serious situation, exists in respect to coal. In regard to cotton-goods, one only needs read the reports regarding the British Economic Mission to realize what is happening in that field of commerce. The situation is also most obscure in regard to the return of the Japanese portion of the Boxer Indemnity. While the Japanese propagandists have done considerable talking about "friendship and conciliation and cooperation" the tendency of European nations to relinquish their special interests in China has served to accentuate Japan's real position, hence it is not unlikely that 1931 will record some interesting developments in Sino-Japanese relations.

"British Trade Must Move Forward on Progressive Lines"—Sir Ernest Thompson

THAT British trade is necessary for China; that Great Britain is not a back-number in the cotton trade; that great work is to be done in China by putting power behind the workers in order to improve standards of living; that great opportunites exist all over China for British engineering in the development of electrification, sanitation, water supplies and communication; that the visit of the Economic Mission was both necessary and timely; and that the time has arrived for fighting the present depression,—were sentiments expressed at a farewell dinner in Shanghai on the evening of Jan. 24, which marked the official completion of the British Economic Mission's investigation of conditions in China from the standpoint of British trade. The dinner was attended by some 200 Shanghai businessmen, most of them British, but also including 30 representatives of Chinese financial and commercial interests. The Chinese spokesman was Admiral Chen Shao-kwan, vice-commander of the Chinese Navy, who several years ago served as Naval Attache at the Chinese Legation in London. Other speakers included Sir Ernest Thompson, Chairman of the Mission; Louis Beale, special commissioner to the British Overseas Trade Development Council, and Sir Peter Grain, of the British Supreme Court at Shanghai. Admiral Chen in his address stated that China is now passing through a period of reconstruction, hence it was timely that the Mission had arrived because there is room here for British trade expansion. In his opinion British trade is necessary for China and expressed the hope that the report of the Mission would be followed by an increase in trade which would be mutually beneficial to the two countries.

Approximately three months have elapsed since the Mission arrived at Shanghai and since most of the time has been devoted to travel and investigation in Central, North China and Manchuria, the final report has not been written. The chief task now, according to Sir Ernest, is to compile from the mass of material collected, the vital information regarding China which will be useful to British industrialists and the British people at home. After completing their investiations at Shanghai, several weeks ago the members of the Mission proceeded to North China, stopping at Tientsin and Peiping, following which the Mission divided into two groups, one proceeding to Manchuria and the other traveling through Central China over the Peiping-Hankow railway to Hankow. They departed from Shanghai on Tuesday, Jan.27 for Hongkong, their object being to compile their final report in the British Colony, following which they will return to Shanghai and then sail for home, proceeding by way of Canada. Although the final report has not yet been prepared some inkling regarding the impressions of the members of the Mission was provided in the addresses of Sir Ernest Thompson and Louis Beale at the farewell function held last week. After expressing his appreciation for courtesies extended to the Mission and particularly help rendered by the British chambers of commerce in China in the collection of information, Sir Ernest said,

"I think we have realized that events are taking place in China that are rapidly changing the situation and that we must all recognize this change and be prepared to move forward on progressive lines. In order to advance with the times it will be necessary for us at home to work in very close harmony with all interests on this side. It may be necessary for exporters at home to act in closer cooperation with importers over here. It may be necessary in some trades to adopt more up-to-date methods, both at home and in China. All these things may be done and can be done by concerted effort on all sides, supported by the will to succeed."

Sir Ernest then emphasized the great need for peace in China, saying that with China a peaceful country, her trading capacity

and her import and export business will be enormously increased and that in this increase of foreign trade, Great Britain desires to take an important share. He also stated that the increased stability and security which all expected in China, should attract to China the financial assistance which may be necessary in the period of reconstruction. This naturally led to a consideration of the present depression in the value of silver which has had the effect of practically destroying China's ability to purchase foreign goods. In reference to the silver dnpression, Sir Ernest recalled a curious historical coincidence: In 1896-1897 the Blackburn Chamber of Commerce sent a Mission to China and in its report appeared the following paragraph.

> "The tael that was worth in Shanghai in November 1896 2/11 depreciated to 2/3¼ in September 1897, with the result that widespread disaster overwhelmed the native merchant and trade for a time was completely paralyzed."

Said Sir Ernest, "I fear that it can be said that when we first arrived at Shanghai on October 25 the tael stood at 1/7d. and today has dropped to only just over 1/3d. I hope you will not draw any unfortunate conclusions from this coincidence and think that Missions necessarily have a depressing effect on Chinese exchange. We are indeed deeply concerned at the moment with the present price of silver and its effect on Chinese exchange. This may be a matter upon which it will be difficult for us to take any definite decision, but I feel that the world cannot accept a monetary situation which checks the return to commercial prosperity."

In particular reference to trade matters, the Chairman of the Mission declared, "We are impressed with the opportunities which exist in all parts of this country for British engineering, both for increasing amenities of life by means of electrification, and water supply and for extending the means of communication. There is a great work to be done in putting power behind the worker, the surest way of improving his standard of living. As regards the important cotton and woolen textile trades, you are aware that these have had and are having our careful and closest investigation. The results I cannot now state, but they should at least bring home more effectively than ever before to British producers the actual conditions in the Far Eastern markets. As regards the cotton trade I want to dispel any thought that in this trade Great Britain is a back number. This cannot be said of a trade that still does almost half the international trade of the world in cotton goods, and it cannot be said of a trade which has sent here a Mission equipped, as the Cotton Mission is, and determined, as Lanchasire is, that no effort be spared to secure an even larger share of the world's cotton trade."

Sir Ernest then made an indirect reference to the visit of the Mission to Japan, where an inspection was made of the Japanese cotton manufacturing industry in the Osaka district. He said, "during our investigations in the East we have seen no cotton mill better equipped than our own mills in Lancashire to produce, with efficiency, any cloth which may be required." In a previous statement regarding conditions in Japan, Sir Ernest said, "I can state quite definitely that much of the cloth that I saw being woven and at least half of the goods that I watched would be rejected in Manchester as being definitely unfit for shipment to China. In can further vouch for the fact that if we had shipped such goods to China that you would have rejected them on this side."

In concluding his address he declared, "We have had, perhaps, a little too much pessimism for too long a time and we have allowed ourselves to be discouraged unduly. Surely the time has arrived for us to fight this depression and to determine that no lack of confidence or courage shall stand in the way of our enjoying the benefits that must come before long to those who act with courage and determination. . . . I am convinced that an end must come to the present world depression and that there is no need for any loss of confidence, and that, although there are difficulties to be overcome, we can all be assured that with great efforts at home supported by British people overseas, we shall see our country holding her rightful and prominent position in the trade of the world.

Louis Beale in his remarks stated that it was the aim and intention of the Mission on its return to Britain to do all that is humanly possible "to persuade our manufacturers and all who are concerned in production with the urgent and vital necessity of offering suitable goods at prices which the market is both willing and able to pay and which are competitive with other sources of supply, thus benefitting the three factors in commerce—the producer at home, the distributor abroad and the ultimate consumer." In reference to the objects of the Mission, Mr. Beale stated that they were much broader than indicated in the instructions "to investigate the position of British trade and report what steps should be taken to improve it." He declared, "We have come to a friendly country where, longer than any other nation, Britain has enjoyed an intercourse and intimacy with, I believe great benefit to both countries. . . . It is our earnest hope that our trade relations may strengthen and grow still more; that we, on the one hand shall be able to buy more of your products and on the other that we shall find an enlarged market here for goods which it will pay China to buy from us . . . We like to play a good, clean, hard game and shake hands at the finish. . . . We have been immensely impressed in our contacts with many parts of China by what Great Britain has done in promoting Chinese development. Banking, shipping, commerce and railways, the Maritime Customs, Shanghai harbor, and lighting services maintained for navigation, are examples of modern usages which China has been able to usefully and profitably to weld into her life and these are, in the main, national foundations laid here by Great Britain. Our Chinese friends would be the first to recognize that Britain has played a major part in the upbuilding of Chinese commerce, and that we have left an example worthy of emulation by China herself. . . . The backbone and fibre of the British people are as good today as ever they were—not perhaps so quick to get into action as some would wish—but of inestimable value in days like these when the whole world is suffering from a lack of faith and courage. It has become a habit with a few passimists to consider the Old Country as on its last legs. A greater mistake was never made. There are signs—sure signs—that out of the necessities of the time there is emerging in Great Britain a determination—an insistence—to meet and overcome our difficulties. Great Britain

is not a machine—it is a human unit—which will respond not only to the needs of its own people but to the needs of humanity throughout the world. The British do not profess what they do not intend to practice and I venture to profess before you here that cooperation between all sections of industry at home will demonstrate beyond all doubt that Great Britain is foremost in the trade and commerce of the world.

"China possesses all the constituents necessary to build up a great modern nation, an industrious and thrifty population, among which there are inventive and creative brains, a vast and diversified area capable of producing an infinte variety of foods and raw materials for industry and a geographical position favorable to foreign trade. . . . The greatest immediate needs of China are a stable government to ensure peace and security and the means of internal transportation and communication, which necessarily will mean sound financial schemes of helpfulness. China is no place for selfish financial exploitation and no true friendly interest will desire to see her as such. But given true friendly help the blessings and advantages of the modern world will be available to China. So vast is China's popu ation and area that we can hardly visualize what a peaceful, prosperous and internationally trading China would mean in the comity of nations, save that one quarter of the world's people would be brought into active partnership with the other three-quarters to the great benefit of the whole. Britain is ready and most willing to play her part in the great task which lies before China. Our universities and workshops are open to her young men for study and training; our country is a great market for China's products, our wealth is ready with security and without exploitation to assist China in her development and progress and the hand of goodwill and fellowship stretches out from Britain for you to grasp."

Judge Peter Grain of the British Supreme Court at Shanghai, in his remarks suggested that the members of the Mission should not take too seriously certain "exclamations of dissent" which were apparent upon the Mission's arrival in China and declared that the Shanghai commercial community owed a debt of gratitude to the Mission for coming such a long distance for the purpose of endeavoring to find means of improving the trade with China.

The Hankow district branch of the Kuomintang took advantage of the presence of members of the Mission in that city to administer a friendly lecture, the manifesto alleging that Great Britain had not yet given up all phases of its "aggressive policy." Attention was then called to certain policies in the Straits Settlements which placed "unfair restrictions on Chinese immigration." The Chinese people are not unfriendly to Britain, nor do we disapprove of the present Mission's visit. Although the British Government has so often disappointed us, we hope, however, that the peoples of the two countries will do their utmost to remove all obstacles to mutual understanding. We believe that the removal of these obstacles is essential to cordial relations between the two countries. We tender our best wishes to the British Economic Mission for their success and hope that, in their own country, they will urge their Government to adopt a friendly policy towards China."

Nanking's Views on the Silver and Financial Situation

RECENTLY there has been a tendency on the part of the foreign newspapers to place emphasis on certain alleged differences which have developed in the ranks of Chinese officialdom at Nanking in regard to foreign financing, the tendency being to split Nanking into two camps, one favorable to a silver loan and the other opposed. In other words it has been made to appear that Nanking is divided into two separate camps on this question, one being headed by Hu Han-ming, head of the Legislative Yuan who favors a direct silver loan to China from the United States Treasury and the other group headed by T. V. Soong, Minister of Finance, who allegedly is opposed to a direct silver loan, but who nevertheless is favorable to a gold loan advanced to China through regular banking channels.

While there are, obviously, different views held in Nanking on this question, it should be apparent to thinking persons that China is not responsible for this situation, China being more or less the victim of propaganda spread by proponents of various and conflicting theories pertaining to currency systems which are held in the West. Elsewhere in this issue of *The Review* appears an exhaustive article by Senator Key Pittman which is reproduced from the U. S. Congressional *Record*, our object not being to boost Senator Pittman and the silver theorists, but to assist in making clear the Chinese predicament on this question. Several months ago certain interests connected with the American silver mining industry approached certain Chinese officials and asked them whether a silver loan would be acceptable. They replied in the affirmative, of course, but while this was going on the National Finance Minister, T. V. Soong was working along different lines. Mr. Soong's object has been, first, to reach an understanding with the creditors who hold China's defaulted or imperfectly secured loan obligations and after that is accomplished, to discuss the question of new financing. Surely it cannot be so quickly forgotten that the National Government last year went to heavy expense in bringing out to this country the so-called Kemmerer Commission of Financial Experts. Dr. Kemmerer and his assistants spent a year in China making a study of financial conditions, following which the National Government was presented with a number of reports, some bearing on taxation matters, others dealing with domestic and foreign loans, others on the customs tariff and still others with currency reform. Some of these reports have been published and others are still in the possession of the Ministry of Finance, but briefly Dr. Kemmerer recommended the inauguration of a gold-standard currency and in addition is reported to have worked out a fiscal system, which, if it could be put into effect might be expected to enable China to balance her budget, pay off her defaulted or imperfectly secured loans and generally modernize her national and provincial finances. Several of the Kemmerer recommendations have already been put into effect, notably the so-cal-

led "gold-unit" system in the Maritime Customs and the recent inauguration of a new and modernized form of taxation to replace the antiquated likin or transit tax which constituted a serious handicap to domestic trade. While no recent statement has been made on the subject, Mr. Soong is supposed to be still favorable to the gradual introduction of a gold-standard currency system into China somewhat along the lines recommended by Dr. Kemmerer, although such has become increasingly difficult due to the extraordinary slump in silver. But the slump in silver, while making it extremely difficult for China to go on a gold basis, or even pay her foreign debts, has, on the other hand also made it glaringly apparent that China must do something to bring her currency situation into accord with the systems of other trading nations which are on a gold basis. Mr. Soong, being a banker trained in the school of modern finance, naturally looks at these problems in a practical business-like manner. He thinks in terms of loans and bond issues and balanced budgets and can envisage no other method of placing his country on a sound financial basis.

But the silver advocates have other ideas. In the first place they do not want to see China, the last remaining silver-using country, go on a gold basis. As Senator Pittman says in his article, the silver producers have seen one country after another outlaw their metal with consequent losses to the silver producers. With vast quantities of the metal on their hands, they hit upon the method of saving their own skins by proposing that the United States Government advance to China a large loan in the form of silver bullion. China would be expected to place this silver in her treasury as security against note issues and also for use in the coinage of fractional currency which would be used to pay soldiers, labor battallions and so on, the result being expected to increase the use of the metal and thus enhance its value. The American silver producers would win their point if this scheme was adopted because the United States Treasury would be forced to replenish its stocks by new purchases of American-mined silver. Bankers, exchange dealers and speculators almost unanimously profess violent opposition to this scheme, the consensus of opinion among them being that a large silver loan would tend to further depress silver prices. But these same exchange dealers also profess violent opposition to China's going on a gold basis, hence one wonders regarding their real motive. Of one thing China may be sure, the professional exchange dealers in the treaty ports are not worrying over China's welfare: they are considering the question purely in the light of their own livelihood; hence China should not permit herself to be unduly swayed either by local views or by the views of private interests elsewhere that may have a direct or indirect interest in silver production or speculative trade.

Whether a large silver loan would tend to further depress prices, cannot be determined in advance, but since present silver prices are a direct result of the working of the law of supply and demand based upon known world supplies, one cannot see how it could further depress silver prices if some of this silver was transferred from the United States to China where it might be put to work. At least so argue those who favor a silver loan. One certain effect it would have: it would place the Chinese Government in possession of a large reserve of silver which it does not now possess. There are, at present, large stocks of silver in Shanghai, but they are held by private interests, and due to the present exterritorial system the Chinese Government has little or no control over them. Last year the Chinese Government was practically powerless in preventing private foreign banks from exporting gold bars. With a large stock of silver in its possession, the Chinese Government would be in a position to control the situation and by judicious buying and selling could control the market, just as the Japanese Government does today in respect to the gold in its treasury. Although it cannot be determined in advance whether an American silver loan would depress or enhance silver prices, it obviously would be of benefit to the Chinese Government to have a large stock of silver in its vaults, over which it posssesed undisputed authority. The whole matter, of course, is still in the field of speculation, because the report of the Pittman Committee has not yet been made public and after it has been made public it will have to be passed through both houses of Congress before becoming a law. There is a possibility that in the meantime the American bankers, who, in their own interests should be concerning themselves with this question, will have become sufficiently courageous to give serious consideration to a direct commercial loan that would enable the Chinese Government to refund its defaulted or imperfectly secured obligations and re-establish its finances on a sound basis.

A consideration of the situation now prevailing at Nanking indicates that while there are conflicting views held on this question, the final object of both groups is the same: to obtain foreign financing for reconstruction purposes. What is likely to come of the present agitation no one can say because there is another report in circulation that the League of Nations is also in the field with a gold-loan proposal. At least there was a report from Geneva that Sir Arthur Slater the League's financial expert and Robert Haas, expert on communications are on their way to China to consult with Nanking officialdom regarding financial and transportation projects. And in addition to these speculative reports, there is one very definite proposal: The British Parliament last week passed the measure providing for the return of the British share of the Boxer Indemnity to China, the major portion of which is to be used for railway construction. The amount available is said to be approximately £3,500,000. Since the Parliamentary Act provides that this money must be expended for materials in England, it is obvious that American manufacturers and financiers must bestir themselves, otherwise they will be left out in the cold in this important phase of development in China. With the largest available stocks of both gold and silver in their possession, it is not likely that American financiers will stand by and permit China's major reconstruction projects go to their European competitors.

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Some Facts About Silver and the World Financial Situation

BY HON. KEY PITTMAN

(This article dealing with 'Silver and the World Financial Situation' is reproduced from the U. S. Congressional Record, it also having appeared in various papers of the United States. The article is of special interest in China due to recent discussions at Nanking regarding a possible American silver loan to China).

What are the causes of the sudden and disastrous financial and commercial depression throughout the world to-day, and what are the remedies that may be invoked to restore normal prosperity? These are difficult questions to answer. They must be answered, and correctly answered, before any substantial or permanent relief can be expected.

There is no doubt that, in the stress of the moment, confounded by many political questions and distracted through the necessity of thought and action to meet temporary relief, these questions have not had the study that is required. Again, there are many contributing causes, some fundamental, while others are only of a temporary nature and affecting only particular localities.

An attempted consideration of anything except fundamental causes affecting the world would be futile in any brief discussion of the subject. The fundamental causes, however, must be determined and a remedy for existing world distress must be found.

Prosperity is dead, commerce is stagnant, products are dazedly and vainly striving for a market, while millions of men and women are seeking to work that they may live and the majority of the people of the world are suffering for want of the very products which can not be purchased.

Only a little over a year ago industry and commerce thrived, idleness was practically unknown, and prosperity prevailed throughout the world. The sudden change could be understood if there had been some great natural catastrophe. If floods or earthquakes or other great natural causes had destroyed great producing and consuming populations and centers of wealth and finance, the present situation would be comprehensible.

The needs of humanity are as great to-day as they were a year and a half ago. The desire to purchase is unabated. And we are told by the highest authority that we are possessed to-day of all the potential wealth that we possessed at the beginnning of 1929. A shifting of wealth from the masses of the consumers to the investing capitalists, through the medium of stock-market excitements and the subsequent crash, has undoubtedly had its effect.

Reaction from Overproduction

Economists and financiers tell us that we are suffering from a reaction from overproduction. A year and a half ago there did not seem to be an overproduction because such production was being consumed.

Isn't the condition better expressed in the assertion that there is an underconsumption? If this be true, then what is the cause of the sudden and stupendous reduction in consumption? Our production in the beginning of 1929, in many commodities, had enlarged far beyond the demand or the power of consumption in the United States. Such surplus production was sold, however, in the markets of the world. The markets of the world have ceased to consume a large portion of our surplus production, and such portion of the surplus production as is marketed is marketed with little profit, if not at a loss.

Take, for instance, our production of cotton, wheat, copper, and automobiles. The lack of foreign demand for these products has not only reduced the power to dispose of the normal surplus production but has so reduced the price of such products that there is little, if any, profit in such surplus production. This condition has cut off a supply of hundreds of millions of dollars that annually flowed into this country.

There are probably several causes that contributed to the reduction of such consumption of our export products, but the main cause is undoubtedly the reduced power of our former consumers to purchase such products. What has affected the power of foreigners to purchase our exports?

President Hoover stated in his able address before the American Bankers' Association at Cleveland on October 2 that "the buying power of India and China, dependent upon the price of silver, has been affected."

Thomas W. Lamont, of J. P. Morgan & Co., recently stated one of the chief causes of world depression to be "the scarcity of gold and the depressed price of silver."

Julius H. Barnes, chairman of President Hoover's National Business Survey Conference, said in an article that "a price of silver which fluctuated from $1.45 some few years ago to 35 cents to-day and yet sybmolizes the credit and resources of great people could not but harm the business structure of the world."

Similar declarations have been made recently by statesmen, economists, and financiers throughout the world. These unqualified statements by men of such character, standing and position lend dignity to the problem and eliminate the suspicion that any such consideration involves on attack on the gold standard.

The use of silver as a money is not inconsistent with the gold standard. In fact, a majority of the people of the world and nineteen-twentieths of the leading governments have substantially no gold, and use silver alone as the measure of wealth, of values, and the instrument of trade and commerce.

These governments can, by legislative act, declare that they shall be on a gold standard and that only gold shall be legal tender money for domestic and foreign debts, but such legislation will not obtain gold for them upon which to base the gold standard. In fact, several governments that have in the last few years adopted the gold standard have substantially no gold and are compelled to use silver as the money with which they must purchase products and pay debts.

Where are the 19 out of 20 governments to get the gold upon which to base the gold standard? To-day there is only approximately $8,000,000,000 of money gold in the world. The United States has $4,500,000,000 of this gold, France approximately $2,000,000,000, England $850,000,000, while the remaining $650,000,000 must supply the needs of all of the rest of the world.

Of course, if all governments scramble for their proper share of this little gold supply, then the price of gold must continue to go up. When I say the price of gold must continue to o up I mean that it will take more ounces of silver to buy a dollar's worth of gold. It will take more cotton, more wheat, more copper, more automobiles to buy gold. It is a known law of economics that when money becomes scarcer products become cheaper.

If by any legislation or policy silver can be destroyed as a money, then there will remain only gold, and the demand for it will be proportionately increased. During the last 54 years legislation has been enacted in various countries and policies have been adopted looking to the cessation of the use of silver as money. These laws and policies had reduced the purchasing power of silver by comparison with gold over one-half by 1900.

From that time on until 1925 little new legislation was enacted or policies adopted changing the condition of silver, and therefore silver sought and remained at what was regarded as a normal value as compared with gold, or exchangeable for gold, around 64 cents an ounce. This remarkably uniform normal price existed by reason of the fact that the annual production of silver was remarkably uniform and the consumption measured up exactly to the production. The annual production has averaged about 250,000,000 ounces throughout the world.

In 1925 the British Government for India adopted the gold standard for India and commenced to melt up and sell as bullion on the world market the silver money of India. Immediately the price of silver commenced to drop until, during 1930, it has averaged around 34 cents an ounce, or about one-half of its normal price.

India Adopts Gold Standard

Of course, the market for silver in the world could not consume this additional supply. The fact that the British Government for India has several hundred million ounces that it might dump on the markets of the world not only reduced the price of silver one-half but, by its threat to further indefinitely reduce such price, destroyed its value for credit. The result was inevitable. Panic exists among more than half of the people of the world, whose buying power is measured solely in silver. It has cut in two the purchasing power of China, Mexico, South America, Asia, and several European countries. It has made credit transactions with such silver-using

countries practically impossible. The reaction has not only been felt in the United States but throughout the world.

The immediate remedy for this cause of world depression is simple. Let the powers of the world, led by the United States, persuade the British Govrnment for India to desist from such destructive policy, and silver will undoubtedly be restored to its normal price of around 64 cents an ounce. Let it be remembered that 64 cents an ounce is not an exchange ratio of 16 to 1, but represents a value of about one thirty-second that of gold, or 32 to 1. It is not even the exchange price for silver coins in the United States or in any other country using silver coins.

In the United States 50 dimes are exchangeable for $5 in gold. When 50 dimes are sold for a $5 gold piece it means that such silver is sold at the rate of $1.38 an ounce. The Government today, when it manufactures 50 dimes and sells such dimes to banks and trade for $5 in gold, receives for such silver $1.38 an ounce. It is not therefore suggested at this time that silver be restored to its parity price, but that it be restored to its normal price of around 64 cents an ounce by persuading the British Government for India to discontinue its abnormal and destructive policy with regard to money silver.

Personally, I am of the opinion that our own Government should not make a profit of $1.04 an ounce on the silver it buys from the products of our mines through the sale to banks and the trade. Nor do I think that any other country should attempt to make such a profit on industry. I am firmly convinced that trade and commerce would be facilitated and economic conditions throughout the world greatly relieved if there could be an agreement between governments as to the price at which silver should be exchangd for gold. This would not injure the gold standard nor deprive it of its character as the base for money.

The stabilization of the price of silver through the agreement of nations as to its exchange value with gold would not be difficult of accomplishment. If governments should agree not to melt up or debase their money silver, then the quantitv of silver that would have to be considered in the stabilization plan would be quite small. In other words, only annual mine production would be a factor to be considered.

India and China the Silver Consuming Countries

Silver mines, like gold mines, are quite limited. Even during the period when silver was selling at over a dollar an ounce, and large profits could be made from mining, it was impossible through the efforts of large exploration companies, with every facility for prospecting for and discovering mines, to increase the production over 25 per cent. In fact, nearly two-thirds of the silver mined is recovered as a by-product in the mining of copper, lead, or zinc. When there is a great demand for such metals then we are in a prosperous era and then there is also a great demand for silver. When the demand for such metals in business and commerce decreases then the production of silver automatically falls.

Consequently the average production of silver throughout the world has always been quite uniform and for the eight years preceding 1930 the world production averaged only 250,000,000 ounces annually. Let us see how and where that silver has been consumed.

During that period the average annual consumption of India and China alone was 165,000,000 ounces. There were used in the arts and sciences in England, the United States, and Canada alone annually 40,000,000 ounces. This leaves only 45,000,000 ounces to be accounted for. Of course, other countries besides England, the United States, and Canada used silver in the arts and sciences and also for subsidiary coins. In fact, in the United States we use an average of 8,000,000 ounces of silver annually for our subsidiary coins, consisting of dimes, quarters, and half dollars.

I may say that from time immemorial India and China have consumed two-thirds of the silver production of the world and they will continue to consume it if the purchasing power of silver is not destroyed. So there is no danger of a dumping of silver on any country by reason of the fixing of a reasonable exchange value of silver for gold.

There is no doubt that all of the countries which use silver as money would enter into an agreement as to the exchange value of silver and, of course, if the three leading gold-standard countries of the world, namely, the United States, the British Empire, and France, would enter into such an agreement there would be no abnormal movement of silver from one country to another on account of such established exchange value.

Statesmen, economists, and financiers, however, agree that an emergency exists that requires emergency treatment. Some foreign statesmen and economists go to the extent of asserting that unless the purchasing power of silver is restored the world is threatened with industrial revolution and the repudiation of debts.

Therefore, I suggest that the first and the immediate step to be taken should be an agreement of governments to cease to melt up and throw on the market of the world their money silver as a bullion commodity. I believe that this could be readily accomplished if the movement were to be led by the United States through a conference of the fiscal agents of interested governments. The consummation of a program for the stabilization of the exchange ratio of silver with gold would undoubtedly require more consideration and might involve study and recommendation by a commission consisting of representatives of the various governments.

The President is now authorized by law to appoint such representatives for such purposes, and therefore no further legislation is required. The only act that will be attempted will be the passage of a resolution by the Senate submitting facts obtained by the subcommittee of the Foreign Relations Committee to the President with such advice as the Senate may deem proper in the premises.

PLANS FOR INCREASING OUR EXPORT TRADE AND DISPOSAL OF OUR SURPLUS ABROAD BY INCREASING THE PURCHASING POWER OF THE CONSUMER

President Hoover, in his able address before the American Bankers' Association at Cleveland, Ohio, on the 2d day of October of this year, in discussing the business depression in the United States and throughout the world, asserted that one of the causes of such depression was the overexpansion in production of certain commodities. Continuing the President said: "These major overexpansions have taken place largely outside of the United States. Their collapse has reduced the buying power of many countries. The prosperity of Brazil and Colombia has been temporarily affected from the situation in coffee; Chile, Peru, Mexico, and Australia from the fall in silver, zinc, and copper. The buying power of India and China, dependent upon the price of silver, has been affected."

This is undoubtedly an accurate and profound statement. The President could have properly added that Mexico, South America, and other countries, constituting at least nine-tenths of the principal governments of the world, including India and China, and containing over one-half of the population of the world, have substantially no money except silver, and that their purchasing power is affected by the reduced price of silver. These silver-using countries must exchange their silver for gold to purchase foreign products, and the reduction of the price of their silver one-half has reduced their purchasing power one-half. For this reason China is only purchasing half as much from us now as she was purchasing in 1929. The reduction in purchases from us by the other silver-using countries is due to the same cause that has affected the purchases by China.

In illustration of the accuracy of the President's statement as to the effect of the fall in the price of silver upon the purchasing power of countries that use silver as money, I call attention to the fact that statistics disclose that our exports to China, which is one of our great markets, have decreased over one-half since 1929. Similar decreases, yet not to the same extent, have occurred in our exports to South America and other countries where silver is used as money.

The President's declaration that there has been an over-expansion of production is true in the sense that for several months the people of the world have not had the money to purchase and consume such production. The consumption of most commodities was greater undoubtedly in 1929 than it is at the present time or has been at any time during 1930. It will be remembered that we heard little complaint with regard to overproduction in 1928 or 1929 or until after the purchasing power of the American people and the pepole of most of the world had been greatly reduced. Production is being reduced, and I may say such reduction is being encouraged, to meet the necessarily reduced consumption.

The fact is that this decrease in production, while it may be necessary by reason of lack of consumptive mar-

kets, has not brought about prosperity but has resulted in lessened profits, increased unemployment, and a temporizing with a world problem.

The world is not suffering from overproduction but from under-consumption. The problem confronting the world to-day is not one looking to the reduction of production but to the restoration of the power for consumption. Business genius and government statesmanship should be earnestly and intensely directed to the encouragement of a return to normal consumption by the removal of all obstacles which have brought about depressed consumption in the United States and throughout the world.

We have grown out of the period of national isolation. To-day the world moves as a world. The telephone wire, the cable, the airplane, vast ships, and the radio, together with all the genius that business has been able to develop in the field of world commerce, have all combined to unite the races of the world into what we know as the world market. Nations may no longer live unto themselves. The interchange of world commodities is the biggest business there is to-day. And here both statesmen and business men should remember that there are more people in the world to-day than there were before the stock-market crash in 1929. They have the same requirements now as they had in 1929. They have the same ambitions and the same longings for the luxuries of life. There are more people wanting shoes to-day than there were a year ago, and more wanting chemicals and oils and machinery and automobiles and wheat flour and rice, and everything that is produced. There are more human beings to clothe and countless thousands more to feed.

If people were enabled to purchase what they need the production of 1929 would be an underproduction in the enlarged market.

Decreased Export

The return of wealth and prosperity to the people of the United States, in my opinion, depends primarily upon the ability of producers to dispose of their surplus production at a profit. Such surplus production is disposed of through our exports to foreign countries. These exports have decreased at a serious rate since the latter part of 1929, and are still steadily decreasing. Not only have our exports decreased, but the necessity for disposal of such surplus production has so reduced the price that profit upon sales in many cases has ceased to exist.

So grave had become this situation even in the early part of 1930 that the Senate of the United States passed a resolution introduced by me authorizing and directing the Foreign Relations Committee of the United States Senate, or a subcommittee thereof, to investigate the conditions of our commerce with China, the cause of the decrease in our exports to that country, and to suggest such remedies as might appear advisable. The subcommittee is composed of Senators Hiram W. Johnson Claude A. Swanson, Arthur H. Vandenberg, Henrik Shipstead, and myself as chairman.

The committee since its appointment has been taking testimony of bankers, exporters, importers, shippers, and other experts, and giving careful study to the question. The evidence discloses that our exports to China so far in 1930 are on the average one-half what they were during the same period of time in 1929. The committee will report to the Senate early in January.

Exporters testified that any business now done with China must be done on a cash basis, as the uncertainty of silver exchange makes credit transactions practically impossible. Exporters of flour testified that although people in China were starving for food, their exports of foodstuffs had practically ceased. All of the witnesses agreed with the President that, "The buying power of India and China, dependent upon the price of silver, has been affected." These witnesses described the gravity of the situation more strongly than did the President.

The Assistant Secretary of Commerce, Dr. Julius Klein, who for many years directed the Department of Foreign and Domestic Commerce and who is an authority on world commerce, says that one of the reasons for the loss in our export trade with China is the low price of silver. He adds: "China can not buy as much goods from abroad for 36 cents as it could for 64 cents." The normal price of silver for the past eight years has been around 64 cents an ounce and it is now only 36 cents an ounce.

Mr. Thomas W. Lamont, an internationally known financier, recognized the seriousness of this situation when he placed among the important factors of present world depression the scarcity of gold and the depressed price of silver.

Mr. Julius H. Barnes, chairman of the board of directors of the United States Chamber of Commerce and chairman of the National Business Survey Conference, selected by President Hoover, in an article in the New York Times of November 2, emphasized the seriousness of the depressed price of silver.

"The fatal mistake was made," says Mr. Barnes, "of treating silver as a commodity, although it still represented resources and capital and credit to more than half of the population of the world. Silver, which had been a standard money of the world for 20 centuries, was in a few months to be treated in the market as a commodity, without mature consideration as to the effect on the initiative and confidence of a thousand millions of people. A price of silver, which fluctuated from $1.45 some few years ago to 35 cents to-day and yet symbolizes the credit and resources of great people, could not but harm the business structure of the world."

The President, in his statement, was discussing overexpansion of production, but the depressed price of silver can not be explained in any discussion of "overproduction."

There has been no overproduction of silver.

The Government statistics show that the world production of silver in recent years is as follows:

	Ounces
1921	171, 580, 712
1922	209, 828, 662
1923	246, 275, 858
1924	239, 680, 209
1925	245, 280, 193
1926	253, 806, 386
1927	251, 396, 555
1928	254, 000, 000
1929	261, 000, 000
1930 (approximately)	[1]225, 000, 000

The figures speak for themselves. There has been but a slight normal annual increase in silver production and this small normal percentage of increase is noted at a time when the demands for trade and commerce were the highest throughout the world. It will also be noted that there has been a material reduction in the proudction of silver during each month of 1930 without resulting in any increase in the market price of this product.

The amazing uniformity of the annual production of silver throughout the world militates against any theory that an overproduction of silver could possibly have brought about the depression. There was a time when certain financiers and economists imagined that there was an unlimited amount of silver somewhere that might be mined and dumped upon the world, but the world's annual production for 30 years proves the fallacy of any such presumption.

I have referred to the statement of Dr. Julius Klein, Assistant Secretary of Commerce, who, among other causes, attributes the loss in our export trade to China to "the low price of silver."

Let me explain the Assistant Secretary's statement: During the eight years, 1920 to 1929, the average price of silver was approximately 64 cents an ounce. Let us understand that the price of silver is fixed daily by certain brokers in London, and that such price is universal throughout the world.

For several months now silver has varied between 34 and 35 cents an ounce. In other words, it has dropped in 1930 to nearly half its average normal price during the preceding eight years. If silver had been too high during such preceding eight years, then such condition might have accounted for its sudden drop.

But the pre-war price of silver was 60 cents an ounce. So there was no substantial rise in the price of silver during the eight years referred to. If the price of silver had advanced during the eight years prior to 1929 as other commodities rose, then the average price of silver during such period of time would have been between 80 and 90 cents an ounce. So the fall in the price of silver can not be attributed to the high price of silver.

Was it due to overproduction of silver? It was not, because the world production of silver, as has been shown, has increased at but a slow and normal rate, and production of 1930, based upon monthly production to date, will be at least 15 per cent below that of 1929.

What, then, was the cause of the sudden, disastrous, and unnatural fall in the price of silver commencing in 1928 and reaching the low level in 1930?

Gold has been considered the rare and unchangeable metal, yet, according to the statistics of the Department

[1] Based upon current monthly reports to date.

of Commerce in its bulletin called Economic Paper 8, it is stated:

"I conclusion it is of interest to note that, although the value of gold to silver now stands at a ratio of about 40 to 1 and was formerly fixed in the bimetallic monetary standard at 16 to 1, the ratio of production of silver to gold in the whole period since the discovery of America has been about 14 to 1."

The world became accustomed to the amount of the annual production of silver, and it adjusted its needs to such production. The entire annual production of silver was always consumed and absorbed, and yet there was no excess demand for silver.

Whilst there has never been an overproduction of silver, there was an oversupply of silver commencing in 1928 and extending through 1929 into 1930. Where did this oversupply of silver come from?

It came from the debasement of silver coins and from the melting up of the money silver coins of India, then the circulating medium of that country and the dumping of such silver on the markets of the world in the form silver bullion. The British Government for India decided to place India upon a gold-standard basis. There was substantially no gold in India, and Great Britain did not have sufficient gold for her own needs. India, since the dawn of history, has been consuming and absorbing about one-third of the silver production of the world. There are billions of ounces of silver hoarded in India by its 350,000,000 people in the form of jewelry and secreted in the ground. Silver is the only money that the people of India know; it is the representative of their savings for ages; it is the measure of their wealth; it is substantially their only instrumentality of trade and commerce.

Dumping by India

And yet the British Government for India determined to destroy this silver as money and to substitute for it a paper-money supply based on a miserably inadequate reserve of gold. Great Britain did not have the gold. As I said before, she has been unable to obtain sufficient gold for her own monetary system and for her own credit. It became necessary, therefore, for the British Government for India to buy gold as the basis of its gold standard in India. It apparently had nothing with which to buy this gold except the silver money of India. It had several hundred thousand ounces of silver in the form of silver rupee coins, or silver for redemption of silver paper rupee notes. It adopted the policy of melting up this money silver and selling it upon the markets of the world as bullion for the purpose of buying gold, estimated at something like $300,000,000, as a basis for its gold-standard money in India.

This announcement was looked upon in amazement not only by every silver-producing and every silver-using country in the world but even by the economists of gold-standard countries, who realized that the gold of the world has a greater burden of credit based upon it than is actually safe.

What induced this act is incomprehensible in view of the fact that there are approximately only $8,000,000,000 of gold available in the world's money. Of this amount the United States has $4,500,000,000, France has $2,000,000,000, and Great Britain $750,000,000 which leaves only $750,000,000 worth of gold to supply the needs of all the other nations of the earth.

Efforts were made to induce the British Government for India to modify such policy, but such efforts failed. Since the adoption of such policy the British Government for India, from the melting up of such coins and silver, has thrown on the market of the world silver as follows:

	Ounces
1927	9, 200, 000
1928	32, 500, 000
1929	35, 000, 000

I am unofficially informed that silver sales in India have continued in 1930. In addition to the sale of these money coins that were in use the following governmental silver was sold, derived from the debasement of silver coins:

	Ounces
British coins:	
1927	1, 200, 000
1928	5, 500, 000
1929	10, 000, 000
Demonitized coins:	
French—	
1927	8, 000, 000
1928	19, 000, 000
1929	10, 000, 000
Belgian, 1928	13, 000, 000

So to the annual average mine production there was added in 1927, 1928, and 1929 from such unnatural sources a total of 133,400,000 ounces, or an average of 44,400,000 ounces annually.

Thus, through the dumping of India and the debasing of coins elsewhere, it was as though a great new inexhaustible silver mine had been opened overnight, throwing out on the world market an unexpected and unnatural supply of silver, amounting to more than one-sixth of the entire world production in 1928. The natural law of supply and demand, reasonably constant over a period of a century, was thrown into chaos by the silver deluge, and falling prices robbed within a year one-half of the human race of one-half of their wealth and their purchasing power.

In view of the fact that there was no excess demand for silver, is there any wonder that the price of silver was cut half in two?

But the worst is yet to come, because the British Government for India still has several hundred thousand ounces of silver money that it intends to cast upon the market of the world in the form of bullion. The market can not consume it. There is not a demand for it, and such a threat will hold down the price of silver and if carried out may absolutely destroy its value as a measure of wealth, as money, and as an instrument for the carrying on of trade and commerce.

The British Government for India by its policy has struck down the wealth of India and destroyed the purchasing power of its subjects. It has not only injured its own subjects but it has equally and in the same manner destroyed the purchasing power of China, South America, Mexico, and every silver-using country in the world. This has disastrously reduced the export trade of the United States and every other country.

Silver Producers Suffer

The producers of silver, although a small group by comparison with all of the other groups affected, have suffered even more deeply than the producers of other commodities. Mines throughout the world have been compelled to close, adding hundreds of thousands of idle men to the horde of unemployed.

Canada, a member of the British Empire, one of the largest producers of silver in the world and possibly destined to be the largest, has suffered severely in this particular. The disastrous effects of the economic policy forced upon India are understood in England. They are admitted by Premier MacDonald, of Great Britain. The question is, What is the remedy?

In the first place, the British Government for India should immediately announce its intention to abandon such policy, to be followed immediately thereafter by actual abandonment.

In the second place, there should be an agreement that governments will abandon the policy and practice of selling government silver, whether obtained from the debasement of coins or held for money purposes.

In the third place, an attempt should be made to arrive at an agreement between the governments of the world as to the stabilization and use of silver for monetary purposes.

The abandonment of the policy of the British Government in India will immediately permit silver to go back to its normal price of around 60 cents an ounce. The ultimate stabilization of silver will undoubtedly be above the price of 60 cents an ounce.

When the dumping of silver has ceased, the United States, Great Britain, France, Japan, and other countries enjoying great commercial benefits in China may lend to the National Government of China financial and expert aid for the pacification of China and the revivification of that great country. All China needs is friendly cooperation and financial aid.

If a silver fund could be provided by interested governments for use in China, to be advanced as and when needed for purposes to be approved by a commission of the powers participating in such advance, then, according to all of the evidence, war in China would cease and the soldiers who are working i narmies for food would engage in peaceful occupations for the National Government.

If such result were consummated. we are advised by witnesses who should know that the commerce of China would increase tenfold in a few years. This is not surprising when we realize that China has about one-fourth of the population of the world and a rich territory approximately as large as the United States and Mexico combined. It is possessed of a peaceful, industrious, and friendly people. It is the next-door neighbor of the

(*Continued on page 337*)

The Background of the Recent Round Table Conference on India

The following is a symposium of views on India from the writings of Rash Behari Bose, Dr. Taraknath Das, V. Challopadhyaya and Yang Kwang-sheng.

BY RASH BEHARI BOSE

SOME time ago Wedgwood Benn, Secretary of State for India, circulated in the House of Commons figures showing that the number of persons convicted in connection with the political movement in India of offenses, not involving violence, totalled 23,136, about the end of August.

The figures supplied by the Secretary of State are entirely misleading. Even at the most moderate calculation it can be averred that more than 50,000 have been sent to prison since the inception of the political movement in India. Viceregal Ordinances have followed in quick succession. Copious use and often misuse have been made of these measures. The life, limb and property of every Indian have been made unsafe by them.

In spite of the repressive measures of the British Government, the nationalist movement in India is making great headway. The increasing number of arrests and convictions of Indian men, women and children, some being only 12 years of age, and the heavy sentences passed on the leaders point to the irresistible conclusion that the Indian national movement for independence is gathering strengh with each receding day.

Death of Mahatma's Young Son

Of all the trials and tribulations that India has gone through recently, none has been more poignant for Indians the world over, irrespective of their station in life or whether they are exiles abroad in some far corner of the earth, than the death of the seventeen-year-old son of Mahatma Gandhi. He perished after an agony of sixty days in a foul jail hospital. The crime for which he was thrown into prison without a trial was that he loved his country. In jail he had committed an even greater crime; he had dared to protest against the harsh and inhuman treatment meted out to polititical prisoners and, in his fight for their fundamental rights—the right to be treated as human beings and not as dumb, driven cattle he paid the supreme sacrifice and went to his eternal rest, his body shrivelled to a skeleton, his spirit undaunted, his soul pure and all the fairer for the long, agonizing and galiant battle he waged even unto death.

His demise shocked every Indian, no matter whether a Congressman, a so-called Liberal or the sycophant who is termed "loyal." Of that there is no doubt, and every Indian had better pause and reflect over the fact that he was forced to die, in slow agony without the least effort being made to salvage a life full of promise, a life that, from the first glimmerings of the age of discretion, had been devoted to a self-less service of his country. He could not have asked for a better climax. He died for his people. Long may his spirit live!

The Sufferings of the Prisoners

The accounts of the sufferings and insults undergone by our brothers and sisters in jail have trickled through the gagged silence; have come to light despite the invocation of that liar's charter known as the censorship; have come as a rude shock that we are not dealing with a civilized party; have reached every corner of India—and of the world too—and have roused in our hearts an agony of indignation for the callousness and brutality with which men and women, most of them of gentle families, have been treated in jail. Whipped, spat upon, beaten: the clothes torn off women while their warders, English as well as degenerate Indians, have mocked, jeered and offered to women the greatest of all insults and shame, with no check from the "law and order" that the great Saint Irwin prattles of with appeals for fundamental justice going in vain and with the passion of vengeance decreeing on these unfortunate captives—captives because they love their country—a degradation hardly fit for dogs—such is a very conservative account of what is transpiring behind the scenes, such is "British justice."

It was to end this that Young Gandhi decided on extreme measures, measures that ended in his death—nay, in his immortalization of the creed of his father and of One Greater Yet, that no greater love hath man than to lay down his life for his fellow-man. There must be inquiry, very searching and independent inquiry—at least, let us hope so. The most damning part of it all is the callousness with which such conduct has been received, conduct on the part of an alleged Christian Government which never forgets its Church parades and the like and in which there is a section of atrophied hearts and consciences that has gone the length of mocking at the sufferings of even women and children, without receiving the least check or restraint from that same Christian authority, relentlessly careful in smothering every cry of pain and expression of judgment from the organs representing the sufferers through the medium of the Star Chamber method of Ordinances and the dictatorship of the police.

The Offensive Against Women

The offensive against women started when picketing of liquor shops proved to be such a tremendous success and when women, despite the rain of club-blows administered by mounted militia and police and by the gallant English sergeants of Bombay, refused to give ground even though they were beaten into unconsciousness or semi-consciousness in the public streets of Bombay. The police commissioner of Bomby said he would stamp the whole "damned thing" out in 42 days. Would he be given a free hand? Sir Frederick Sykes, Governor of Bombay, assented and the police commissioner became virtual dictator. His first offensive was against women and next against the Vanar Sena, or Juvenile Battalions of the National Congress. Eyes were gouged out, heads split, limbs broken. The instructions to the police were to hit on the face and head—and a lathi, the iron-shod club that the Indian police have been armed with, is a formidable weapon as terrible as the butt-end of a rifle (and not, as some English papers say, "bamboo canes").

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Indian Freedom and World Politics

BY DR. TARAKNATH DAS, PH. D.

Many responsible British statesmen are preaching repression in India, while the Round Table Confernce is in session. They advocate that Britain must not make any substantial concession towards India's attaining dominion status or equality of status with other members of the British Commonwealth of nations, in the near future. However if the Indian delegates and representatives of the Princes can compose their differences and take a firm stand, they will, due to the existing internal condition of India, economic and industrial difficulties of Britain and the present situation in world politics, be able to extract substantial concessions without much difficulty. In this connection the following facts should be taken into consideration:—

(a) The Indian nationalist movement has virtually the full support of the intelligentsia and an important section of the Indian commercial class; and it has taken root among the masses.

(b) By declaring the All India National Congress, as an unlawful body, the Indian nationalist movement cannot be suppressed; because it has become nation-wide. Indian boycott movement has done immense harm to British commerce and created an acute situation in Great Britian by increasing unemployment. Indian nationalists are going to use the weapon of boycott further to hurt British commerce and to cripple government's revenue.

(c) The movement for the non-payment of taxes among the peasants of India is growing. With the lack of revenue and increase of expenditure for the police, military and jail administration, the government has been forced to borrow money by millions of pounds sterling at a higher rate of interest. This would mean that there will be increase of taxation in India and this will lead to greater discontent among those who are not yet affected.

(d) It will not be surprising that after a certain time, it will not be possible for the British to depend upon Indian police to carry on their barbarous repressive measures, many relatives of police officials and civil officials in India being now in jail. The wives and daughters of Indian police and civil officials are taking part in the nationalist movement. This is bound to affect the men, and after a certain length of time, it will not be possible for the British to depend upon Indian police to enforce the existing barbarous repressive measures.

(e) British authorities must have realized that the doctrine of paramountcy expounded by various commissions and high officials is not acceptable to the Indian Princes. Some of them have begun to think in terms of "Indians first and Princes afterwards." To be sure, the Indian Princes who are willing to side with the aspirations of Indian nationalists are not many; but many of them will

not be anxious to stand in the way of the realization of Indian afreedom. Their self-respect demands that India must ttain nationhood.

When one examines the present tendency of World Politics, it becomes clear that Britain's position is not so very secure.

(a) At the outset it must be recognized that the result of the last Imperial Conference does not speak for solidarity among the members of the British Commonwealth of nations, in matters of imperial economics and commerce. This will have a very important bearing on Britian's relations with other nations.

(b) In spite of all talk and exchange of fine expressions, Anglo-American naval rivalry and extreme commercial competition among these two nations exists. British statesmen fully realize that Britian cannot fight America and thus they have surrendered to the American demand of naval parity.

(c) Although Anglo-Japanese relations have improved considerably during recent years, yet one must not overlook that the Japanese have not forgotten Britain's giving up the Anglo-Japanese Alliance, after using Japan, during the World War. Every Japanese regards the British policy of building a formidable naval base as a serious menace to his country. It is notorious that the British are hostile to Japanese commercial expansion in China, India and other markets. Japan is no more bound by the Anglo-Japanese Alliance and therefore may join any power against Britian, if that might seem advantagous to her.

(d) Britain is afraid of closer co-operation between Japan and China. After the failure of gun-boat diplomacy in China and the rise of Chinese nationalism, Britian has come to the conclusion that it will be wiser for her to befriend China and if possible use her to promote British interests. This is evident from various concessions made to China by Britain, during the last few months. It will not be surprising that Britian will agree to give up Extra-territorial Jurisdiction in China in the near future. The present Chinese Government is anxious to secure Anglo-American support in its struggle against Russian penetration and also against Japanese influence in Manchuria; and therefore it is willing to utilize Britain's friendly offers. However, China has not forgotten the Opium War and annexation of Hongkong. Chinese are not unmindful of British penetration through Burma and Chinese Turkestan and they have not forgotten the British policy of destruction of Chinese rights in Tibet. If China develops a strong Central Government, in that case an Anglo-Chinese Alliance may be of some value to Britain, because it may be utilized against Japan or Russia in case of necessity. However it must not be overlooked that any attempt on the part of the British to use China to promote British interests would provoke serious hostility in other quarters. To be sure the Chinese Government is somewhat friendly to Britain now; but if Britain be engaged in a serious conflict in Europe or other parts of the world, China may utilize that occasion to regain some of her lost territories from Britain. At any rate the present Anglo-Chinese relations are not assets to the British position in world politics.

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The Composition of the Round Table Conference

BY V. CHATTOPADHYAYA

Even those absolutely ignorant of India may draw instructive conclusions from the biographical notices of these 65 Indians, that have appeared in the London *Times*. The following statistical analysis of the list is sufficient to show the true nature of the representatives of "India" whom the "Labor" Government invited to the Round Table Conference to settle the fate of the "Indian people":

Ruling Princes	10
Great Landowners	5
Agents (all knighted) carrying out British Imperialist policy in Indian states	6
Agents carrying out British imperialist policy in foreign countries	5
Politicians who are "Ministers" or ex-Ministers	7
Politicians who have cooperated in Imperialist Commissions (Hunter, Selbourne, Whitely, Sandhurst, Linlithgow, etc.)	7
Politicians who have cooperated with the Simon Commission when it was boycotted by all parties	7
"Liberal" Politicians representing great business or landed interests	19
Number of persons (excluding the 10 Princes) with British titles (Baronet, Sir, Rao Bahadur, Nawab, etc.)	29
British Commercial interests	3

Religious Groupings

a) Muslims (of whom 9 anti-Hindu propagandists)	11
b) Orthodox Hindus (anti-Pariah and anti-Muslims)	4
c) Anti-Brahmin	5
d) Sikhs	2
e) Indian Christians	1
f) Parsees	2
Anglo-Indian (Eurasians) supporting Imperialist rule	1
Indian "Women"	2
Industrialists	1
Burma (Separationists only)	4

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Yang Kuang-sheng contributed a letter on "China, India, and the Press" to the London Nation, October 18, from which the following are extracts:

Much ink has been recently spilt over the question of American public opinion and the situation in India. Edward Thompson and others have pointed out definitely that, in their opinion, the pictures of India presented by the American press are false. Having been in England for the last five months and carefully collected clippings from several of the recognized leading British newspapars on the situation in China, I feel it necessary to point out that the misrepresentation of the situation in China in the British press, to a Chinese, is no less than that of the situation in India in the American press, to the British. I do not for one moment wish to question the truth of the press stories from China describing famine, banditry, communism, and kidnapping; the point is that they are not the whole truth. Disorders and lawlessness there are; but disorders and lawlessness are not the only products of present day China.

Out of some two hundred and fifty clippings I have collected during the last several months on the situation in China over ninety-five per cent of them read "A New Peril in China", "The North China War", "Red Banditry in China", "Heavy fighting in China", "Lawless China", Sacking of Changsha", "Bandits Threaten to Kill Missionary", "Red Terror on the Yangtse", and some such captions that are similar in meaning, only different in wording. Had I not left China just recently and been kept in direct touch with the situation over there, I would undoubtedly, in common with the British public, have long been under the spell of despondency and despair for China.

China, more a continent than a country, larger than the whole of Europe, passing as she now is the period of transition, is bound to confront difficulties in certain parts of the vast territory she possesses. If the public must be fed with the stories of communism, banditry and the like, it must also be taught to grasp the following facts: First, the lootings, disorders, and even civil war in certain parts of the country do not affect to any considerable extent other parts that are not directly involved. Secondly, China, the nation as a whole, goes on in spite of the unfavorable conditions of recent years. The necessity of the journalist to search for the extraordinary and the spectacular has exposed the superficial China, the passing China; it has neglected to present also the real China, the permanent China. Industry, commerce, and reconstructive activities have not been brought to a standstill. In the words of Mr. Gillet, Parliamentary Secretary of the Overseas Trade Department: "There may be an impression that the Chinese market is not worth cultivating in view of unfortunate disturbances which have taken place during the past few yeare in China, but this impression is most unjustified. In spite of internal disturbances, the import trade of China is making great advances every year, and last year her total foreign trade registered a record value". The Shanghai Customs returns for the month of July of this year indicates an increase over the month of June and compares favorably with the same period of last year. If these are the results, why not present the public with the facts that have made these results possible? If the British Government and cotton traders are convinced of the hopefulness of Sino-British trade and have gone so far as to send an Economic Mission, why should not the public be also given a general picture of hopeful impression of the situation in China? Instead of concetrating all efforts on the reporting of destructive forces that are ravaging parts of China, why not exert some of them in informing the public of the constructive forces that are consolidating the foundation of a new China?

YANG KUANG-SHENG.

September 20, 1930.

The Chinese Language in Fifty Ten-Minute Lessons!

BY PROF. W. W. SCHARFFENBERG

Lesson No. III

Phonetics

A

Your first work will be to acquire as accurate a pronunciation of the sounds heard in the Chinese language as possible. Many of these sounds are already familiar to you for you have used them in your mother tongue. A scientific study of the sounds heard in the Chinese language, placing special emphasis on those that are not found in your mother tongue, is essential to the acquiring of a correct pronunciation.

During the past twenty five years a number of men have been busily engaged in the study and classification of the sounds heard in various languages. As a result of their efforts an alphabet has been developed which may be used in the study of the sounds heard in any language. Each symbol represents a certain sound the world over. Thus the International Phonetic Alphabet has gradually come to be used by students desiring to make a scientific study of the sounds of any language. The advantages of a thorough knowledge of phonetics are many, of which the following may be considered the most important.

Develops Our Powers of Observation

The study of phonetics requires the student to observe closely each sound and how it is produced. This results in acquiring habits of observation that are of great value to one studying a new language.

Develops Our Power of Imitation

The study of phonetics will assist in developing the habit of exact imitation. Every expression, movement, and act is observed in order to accurately reproduce the sound heard. Imitation is the second essential requisite in acquiring a new language. Phonetics greatly assists one in acquiring this art.

Organs of Speech Better Understood

Phonetics compels one to study the organs of speech. Through a careful study of each organ the student will soon learn to reproduce the various sounds heard quickly and accurately.

Makes for Accuracy of Speech

Phonetics requires one to observe closely, to minutely analyze each sound, and to reproduce accurately each sound heard. This is bound to result in developing an accurate pronunciation.

Eliminates Confusion

A close study of the sounds and how they are made, a minute study of similar sounds in closely allied languages will be one of the surest safeguards against otherwise inevitable confusions. The difference between the closely related sounds will thus be analyzed in detail. This will enable the student to readily detect the differences.

Makes the Student Independent

If the student has made a through study of phonetics, has acquired the ability to transcribe sounds heard correctly by means of the phonetic symbols, and without the help of a teacher, he will have mastered an art that will make him entirely independent in acquiring a new language.

In Lesson IV we will introduce the student to those sounds, called initial sounds, heard in the Chinese language and the phonetic symbols to be used in transcribing these sounds on paper.

Character No. 11 (們[2])

Sign of the plural used in speaking of persons. Pronounced men, the e as the a in at.

The radical is 人. The character 門 is a picture of the ordinary Chinese door. The doors of the majority of Chinese homes may be represented by two leaves which turn on their respective pivots. In the early days 門 was written 門. This character may have been used to form the plural in that it represents the two leaves of a door.

Character No. 12 (有[3])

To have, has, there is, are, was or were.

Pronounced iu as you.

月 the moon, is the radical. The radical is a picture of the moon completely visible. The 𠂇 represents the right hand. To have ones right hand on the moon might well imply possession.

Character No. 13 (沒[5])

None of, without, not, least, used as a negative.

Pronounced mu or muh.

The character 水 water, when used as a radical is abbreviated as 氵. The 殳 means to dive. Hence to sink in the water, with head below the water, to perish.

Character No. 14 (錢[2])

MONEY

Pronounced ts'en or chien. The ts' as the ts in rats, or the t as the ch in *ch*urch, and the e as the a in pane.

The radical 金 is the character representing gold but used as a general radical in classifying all metals or things made of metal. The 戔 two spears, means to exterminate or destroy. This is used a great deal with the characters having a sense of smallness, meanness, or shallowness about them.

Character No. 15 (書[1])

A book, books, writings.

Pronounced sh u. The sh as the sh in ship, or shoe.

曰 meaning to speak, is the radical. It represents a 口 mouth open——exhaling a breath or a word. The 聿 represents a stylus. A book may therefore be considered as the speech of a pen.

Vocabulary List

13. 我們	O men	—	We
14. 你們	Ni men	—	You (Plural)
15. 他們	T'a men	—	They
16. 我們的	O men t.'	—	Ours
17. 你們的	Ni men ti'	—	Yours ,,
18. 他們的	T'a men ti'	—	Theirs
19. 沒有	Mu iu	—	None, have none or not.
20. 有沒有	Iu mu iu	—	Is or are there any Have (you) or have (you) not

Sentence Work

3. 我沒有錢	I have no money.	
4. 你沒有錢	You have no money. Singular	
5. 他沒有錢	He has no money.	
6. 我們沒有錢	We have no money.	
7. 你們沒有錢	You have no money. Plural	
8. 他們沒有錢	They have no money.	
9. 這個人沒有錢	This man has no money.	
10. 那個人沒有錢	That man has no money.	
11. 我有錢	I have money.	
12. 你有錢	You have money. Singular	
13. 他有錢	He has money.	
14. 我們有錢	We have money.	
15. 你們有錢	You have money. Plural	
16. 他們有錢	They have money	
17. 我的錢	My money.	
18. 我們的錢	Our money.	
19. 你的錢	Your money. Singular	
20. 你們的錢	Your money. Plural	
21. 他的錢	His money.	
22. 他們的錢	Their money.	
23. 你有沒有錢	Have you any money.	
24. 他有沒有錢	Has he any money.	
25. 那個人有沒有錢	Has that man any money?	
26. 這個人有錢	This man has money?	
27. 這個有沒有錢	Has this man any money?	
28. 那個人有錢	That man has money?	
29. 我有一個錢	I have one cash.	
30. 你有沒有一個錢	Have you one cash.	

These simple lessons in the Chinese written and spoken language, the first of which appeared in *The China Weekly Review* on Jan. 17, will appear throughout 1931. Persons interested in a more intensive study in class work or by correspondence are requested to communicate with Prof. Scharffenberg, care THE HOME STUDY INSTITUTE, No. 25 Ningkuo Road, Shanghai.

Nanking's Drive Against the Red Bands in Central China

The National Government's drive against the so-called Communist "armies" and red-bandit gangs south of the Yangtsze began in earnest early last December, the Government transferring to Hunan and Kiangsi a considerable portion of its best troops that had participated in the civil warfare along the Yellow River last summer and fall. Although Gen. Chiang Kai-shek's campaign has been successful in capturing several of the leading red strongholds and routing the major bands, the situation still remains serious due to the difficulty which the Government forces have experienced in forcing the outlaws into a major military engagement.

According to reports by the official Kuomin service from Nanking on Jan. 25, Gen. Chiang Kai-shek received telegrams from his subordinate commanders in the field stating that one of the leading Communist armies under the notorious leader Ho Lung had been surrounded by the Hupeh, Hunan, and Szechuen troops on the border of the three provinces and that a subordinate of Ho Lung's named Kwang Chi-huan had been hemmed in by the Hunan-Hupeh units. Hope was expressed that Ho Lung would shortly be captured. Gen. Ho Chien, chairman of the Hunan provincal government wired Nanking that his province had practically been freed of red gangs and that efforts were being made to prevent the remnants from escaping into Kiangsi. A report from Nanking on Jan. 23 stated that the Government troops had obtained possession of considerable communist literature consisting chiefly of secret orders to the populace in the event of attacks by government troops.

However, a report from Changsha which appeared in the Chinese newspapers on Jan. 24 stated that a force of 15,000 Communist troops under Tuan Teh-Chang had captured the town of Huayung and that while most of them were armed only with spears, they were putting up a stubborn resistance. Huayang is located in northern Hunan in the vicinity of Nanhsien, which is also threatened. Gen. Ho Chien offered a reward of $10,000 for the head of the bandit leader Kung Hu-chung, but neither this offer nor a previous reward of $50,000 by Gen. Chiang Kai-shek had brought any results. The following article by Edward Hunter, well-known American newspaperman of Peiping, gives the first analysis of the red situation south of the Yangtsze that has yet appeared, which shows the real reasons for the slowness of the present anti-red campaign:

The Seriousness and Extent of the Red Armies

BY EDWARD HUNTER

A COUPLE of disconcerting remarks by highly placed foreigners who are sincerely in support of the Nanking government and who have made an intensive study of actual conditions inside this vast, sprawling nation called China, recently set me to attempting to find out whether the "communist menace" in this country was a bogey and an inflated scare-crow, or the real thing.

Ever since my arrival in China I have been hearing the theory expressed that communism was impossible here because conditions were so fundamentally different than in Russia. In modern as well as old Cathay, I was told, there were no tenant-farmers and rich landlords, no land aristocracy as in the shambles of czardom, and, therefore there was lacking that vital incentive to the agriculturalists, who make up the overwhelming bulk of the population to rise up and seize the land. The Chinese peasant already owned it; not much, it is true, but enough to maintain a charmingly fatalistic existence on the outer edge of a carefree poverty.

At least, so the gospel ran. But last week a foreigner of authority, who speaks and reads Chinese accurately, and travels extensively, told me that some years ago, for the sake of research, he investigated the number of tenant-farmers in the two provinces of Kiangsi and Hunan. He discovered that 75 per cent of the farmers did not own the soil they tilled, but paid rent in money or kind to neighbor absentee land-owners! Here was a condition exactly the reverse of what generally had been proclaimed and accepted as the basis for a false sense of security against communism in China!

Then on top of this, a returned pilgrim from Nanking brought back eye-witness confirmation for the news that the entire military resources of the country were being put behind a campaign against the increasing communist armies, and that regiments which had been used in the war against the Northern Coalition were being turned around and rushed to the south, every Han's son of them, to go to battle again, this time against the Reds.

So I set to work to find out what this meant, the why and the wherefore of it, and the prospects. For this purpose I interviewed those whom I felt to be best informed on the subject, and taking full advantage of the opportunity afforded the newspaperman among all professions to hear confidential reports from the most varied sources. What follows is a summary of what I discovered.

In gist, I became convinced that the anti-communist campaign is a matter of years and not months, found that North China was by no means safe from indigenous red armies sprouting in a field of dissatisfaction and bewilderment, listened to a military strategist explain the parallel between the tactics of the communist forces against the national government, and Abd El-Krim's Riffs against the French and Spanish, and was given detailed facts, figures and names on fourteen Red armies in existence in early December.

First, I wanted to know what difference from a military viewpoint there was between Nanking's conflict against the Feng Yu-hsiang and Yen Hsi-shan combination, and the war against the Communist armies, because the government in both cases found it necessary to hurl all the man-power it could assemble against the enemy.

I found there was a world of difference. In the civil warfare of 1930, there was little to choose between both sides at the start so far as men and equipment were concerned. If anything, the rebels were the stronger, for they were composed not only of the Northern Coalition but of the Kwangsi clique. General Yen Hsi-shan had been accumulating men and ammunition for several years, buying arms and also producing them at his arsenal at Taiyuanfu, probably the best in the country next to that at Mukden. Nanking's advantages lay in the facts that strategically it was better situated, was the recognized government, commanded money and credit on extensive lines, and controlled far better transportation facilities than the enemy.

But the situation becomes wholly different when the anti-Communist campaign is analyzed. The Red armies are composed of conglomerate crowds of untrained peasants, mainly volunteers, but many forced into service. Their principal weapon is communist propaganda.

The structure of the communist armies does not provide the opportunity for necessary discipline or proper training because they possess no centers of supply and have no means of getting arms and ammunition other than what they capture, or what is brought to them by sympathizers and deserters. Therefore the communist military organization in the three principal provinces in which they operate is that of a mob when compared to the organization of the government forces. But the fact must not be ignored that mobs fight like beasts, and run in packs like wolves. Mobs have changed the history of nations repeatedly down the ages.

The communist armies are an opportunist force. During the critical period of the rebellion last year, when General Yen was going on the Tsin-Pu line and Marshal Feng pushing along the Lung-Hai railway, the govern-

ment was forced to bring to the front every armed man it possessed to deal with this dangerous threat.

All the country south of the Yangtze River therefore was left at the mercy of Red bands by this withdrawal, and it was during this period that the Communist armies met with most of their successes, and practically controlled whole provinces, concentrating in Kiangsi, Hunan and Hupeh. They occupied towns and cities at will, burning, looting and murdering. During this period the strength and cohesion of the Red armies were effected. It can safely be said that they were in control of the situation in the south central provinces during this time.

With the cessation of hostilities in the North, the national government realized that its most important problem needing immediate solution was the suppression of the ever-growing Communist menace south of the Yangtze. Large forces of troops were sent into these areas to attempt this.

The difficulties of a campaign against an enemy constituted and organized as are the Reds is the nightmare of every military officer. There are no organized sources of supply to attack, and the Communist organization is such that when in danger of assault by a large force, it disintegrates and takes refuge in towns and mountains until the danger is passed when the Red soldiers re-assemble to continue action. This is the secret of the rebirth of so many "annihilated" armies.

Military authorities who have seen service in France and elsewhere, as well as civilian observers who rank extremely high agree that the organized forces of the government will find great difficulty in disposing of these irregular forces. The opinion was expressed that troops will have to be stationed in large numbers throughout this entire area to suppress the activities of big bodies of communist troops. Belief was firmly held that it will take many years to completely wipe out the raids of communist-bandits south of the Yangtze.

The military tactics adopted by these frenzied fighters are as simple as a schoolboy's primer. When they are strong enough to meet the foe, they meet him. When not, they drop out of the picture, dispersing like rain drops on the yellow surface of the Yangtze, and apparently are as difficult to distinguish from the mass.

The Strength of the Communist Appeal

Nevertheless, this problem like so many others of the most baffling and discouraging in China, is economic rather than military in its basis. As previously mentioned, the principal weapon of the Reds is Communist propaganda, and the impoverished masses of the interior probably compose the most fertile field in the world for this mode of attack. Corrupt magistrates and other officials as well as merciless militarists have gouged the farmers and peasants out of their solitary pig and mule, deprived them of their little store of grain, and left them without any worries at all except the all-absorbing grim alternative of life or death. Any change could only be a gain, for simple arithmetic proves that no matter how much you subtract from zero, you get only zero. Having nothing left, they stood to lose nothing. Therein lay the strength of the Communist appeal.

And this is where the Red armies use their most persuasive tactics, for they take from the rich and those who have been notoriously corrupt and give to the poor, with a flourish and a couple of enticing slogans on the side.

Not only this, but that most persuasive of all arguments is used—money. The Red armies promise the farmers not only protection while they are growing their crops, but distribute small sums of hard cash among the masses. In return they ask only for a portion of the crops which they have made it possible to raise Could there be a more appealing argument to a farmer who has been forced to sell his wheel-barrow to pay his tax?

The Red armies upon the capture of a district first make haste to tear up all the old land deeds, doing this with especial zeal in those regions where they find farmers are tenants; then they munificently apportion out the land with the addition of a little money and plenty of beatific promises for the future. Upon occupation of a town, special committees included in the organization of every Red army call before them a group of carefully selected business men and merchants, and will collect money. Grain hoards are confiscated and the peasants are summoned to divide the food, while orators explain their tantalizing version of what it is all about.

North China so far has been entirely free of Red armies, but the prospect for the future is not at all reassuring. In Peiping, as an example, little is read in the newspapers about Communism not because there is none, but because the newspapermen were summoned by the officials several months ago and forbidden to publish any

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news regarding Red disorders or activities! A few days after this decree, not a newspaper mentioned the fact that on the birthday of Dr. Sun Yat-sen communist pamphlets were distributed and a batch was scattered on the pavement in front of the police headquarters as an additional gesture of defiance! The Communist problem presumably was being solved by not being mentioned!

North China by spring may see the start of Red-bandit, and then unmistakably Communist, armies, particularly in Shansi and the Northwest, unless statesmanship rises to a higher level of foresightedness than is usually the case.

Poverty is stalking Shansi since the failure of the rebellion. The province is overrun with soldiers who are not producers but consumers. Unless prompt steps are taken to keep these troops in hand, the 200,000 Shansi soldiers, the 50,000 Kuominchun, and the thousands of others in semi-bandit and brigand armies will provide more than a mere problem. The Northwest is in a similar plight. As for Shantung, it would take a good memory to remember the names of all the generals stationed there, much less think of the soldiery. Misfit armies have settled down everywhere in North China, just waiting for some effort to capitalize on their dissatisfaction, hunger and arrears in pay. A Red spark there might result in anything.

Marshal Chang's Task

Marshal Chang Hsueh-liang has more of a problem on his hands than generally is realized. When Nanking with a sigh of relief told him: "The Northerners like you; you go ahead and straighten out things," he naturally felt highly honored, but it will require more than enthusiasm and pluck to keep the Red armies from filtering up north. The allotment of $800,000 by the National government for Shansi is so inadequate that it is more of an aggravation than a contribution.

"Chiang Kai-shek is confronted with the same type of military problem, not one of months but one of years, that confronted the French and Spanish in Morocco when they were fighting Abd-El Krim's Riffs," said one military authority to me. He has seen what he is talking about, not only in China, but in Morocco as well. I repeated his view to others, some of whom specialized on political subjects, and others well versed in military lore. They invariably agreed with his viewpoint.

The French organized flying columns to pursue the Riff, but the Chinese are not organized for this. A high degree of discipline is needed as well as the ability to carry supplies. The necessity for the latter may not be as acute as it was in Morocco, but nevertheless it is a vital point in the requirements of such a type of warfare.

The French system was to send out a flying squadron which carried along just enough food and water to enable it to exist a certain number of days isolated on the field. The French would meet meet no opposition from the enemy as they advanced, for like the Communist armies the Riffs melted away agonizingly before a formidable foe. They would not meet the attack except by a slight amount of harassing, enough to cause mental discomfort rather than to cripple a force.

At night when the flying column rested, larger knots of Riffs would gather and fire into camp, sometimes creeping up close enough to throw hand grenades. But never in any appreciable amount. The French soon learned to outwit these nightly annoyances by the use of star shell, lights which would burst in the air with flash of illumination so extensive that night would be turned into day. This type of star shell was used in France when the armies were curious about what was going on around the barbed wire in No Man's Land betwixt dusk and dawn.

The same procedure would be followed day after day, a series of advances without opposition, until the men thought they were fighting ghosts and phantoms. But when the advance had gone as far as possible and was stopping for a couple of days, the enemy would sense a change and begin to mobilize as real fighting men. When the inevitable withdrawal by the flying column started, then it was that the fun began. The Riffs would congregate as an army and fight ferociously, like mad dogs, making life miserable as well as perilous, especially for the rear guards. Most of the losses were suffered during these attacks, the Spanish at one time losing an entire column after an unopposed advance into what presumably was thin air.

The situation in China is regarded in many respects as similar. The government forces are opposing a fanatical people who will not stand up and meet a strong army, but give way, disperse until a more favorable opportunity presents itself, then foregather again.

"I don't know how this problem can be solved," the eminent military strategist said, "except by organizing the entire territory into districts, and stationing a large force in each area, with efficient communications and ample food, as well as steady pay to combat the formidable weapon of communist propaganda. Strong flying columns then could be sent out to break up large assemblies of the foe, and the continued maintenance of a force there would prevent re-mobilization after dispersal."

The principal danger at present appears to be that the government troops are made up very largely of those units which were used throughout the war of the past year, suffered great hardships and continued fatigue. Their pay is in arrears, and now they are sent into this communist-corroded country to undertake a campaign against an enemy which rarely if ever will stand and meet them with an equal force. It is only natural, therefore, for these troops to become discouraged under existing conditions, as is demonstrated by the lack of success of the campaign so far.

Reports from Nanking recently were that General Chiang Kai-shek soon would proceed to this area in person to conduct the anti-Communist campaign. It also was reported that former Kuomnichun troops would be utilized on this front.

Any offensive against the Communist armies, if it is to hope for a success which will not merely be the temporary dispersal of the foe until a more sanguinary opportunity arises, must take the fact into full consideration that the main weapon of the Reds is their propaganda, and that whatever advance they have made in the past is due primarily to the sympathy they have won from the harassed masses of Chinese in the interior villages and countrysides.

Little Done to Suppress Communists

Evidence of this is the fact that two months have passed since the beginning of the anti-Communist campaign and very little has been achieved in the way of suppression. The Red uprising today has become wholly a Chinese affair, for the leaders are entirely Chinese, and there are no foreign advisors. The government's armies are war-weary, and the strength of the Red troops is based to a vital extent on deserters and units which have turned over. The Communist armies have no way of obtaining military supplies except from the troops sent to fight them and by capturing stores of arms. Two divisions were alleged to have recently turned over to them in Kiangsi, lock, stock and barrel, and another division allegedly was surrounded and disarmed in East Honan for mutinous sympathy shown to the Reds. The report that 80,000 Kuominchun may be despatched to the South to join the war would be a desperate move, for they are not at all the cohesive, satisfied army which can be relied upon in face of a clever and persuasive propaganda.

The problem is one to last years, for when the Communist armies have dispersed into the villages and mountains, guerilla bands will continue at work, patiently awaiting a future opportunity to resume activities.

I am including in this article the following digest of the various Communist armies to indicate the type and size of the Red forces rather than actually tell where they are at the present moment because they undoubtedly have changed positions in many cases since early December, when they were at the positions indicated.

First Army

Commander Hsu Chi-chen, Whampoa cadet; Political officer Tsao Ta-ching, student, 5,300 men operating on borders of Honan, Hupeh, Anhui, and along the Peking-Hankow Railway and the Yangtze.

Second Army

Commander Ho Lung, peasant; Acting political officer Ch'en Hu Hsieh-ping; 5,800 men, mainly recruited from unemployed peasants in West Hunan; divided into First and Second Route Armies operating in West Hunan, West Hupeh, middle reaches of the Yangtze and Li-Chow, Honan. Works in close co-operation with the Sixth Army.

Third Army

Commander Tsai Shen-hsi, Whampoa cadet; Political officer Tseng Ju-hsiang, student; 5,400 men, divided into two main columns each with two regiments; operating in Southwest Kiangsi and extending to Southeast Hupeh and North Kwangtung.

Fourth Army

Commander Chu Teh, old style militarist trained in Germany; Political officer Mao Tze-tung; 8,800 men divided into four columns, operating in Southeast Kiangsi, West Fukien, north and west river areas of Kwangtung and Hunan. This force has the longest history in regard to its establishment and administration by the Communists; has lately operated in co-operation with the Third and

Fifth Armies in Southwest Kiangsi; has raised a force of more than 10,000 armed peasants at one time.

Fifth Army

Commander P'eng Teh-huai, old style militarist; Political officer Hsi Tai-yuan, student; 6,865 men, divided into five columns, operating in East Hunan, South Hupeh, West Kiangsi; tried to join with Fourth Army against Canton-Hankow Railway and Wuhan cities.

Sixth Army

Commander Kuang Chi-hsun, military graduate; Political officer Chou I-ch'un, Whampoa cadet; 5,890 men divided into three columns operating in West Hupeh extending to Hanyang when possible; one band was despatched to act with the Second Army under command of Ho Lung.

Seventh Army

Commander Chang Yun-i, graduate of Paoting Military College; Political officer Teng Hsi-hsien, student; 7,890 men divided into four columns, formerly operating in Kwangsi with Lungchow as center; now working in the Liu-chow district in Kwangsi and in Hunan and Kwangtung provinces.

Eighth Army

Commander Huang Kung-liao, student; Political officer Teng Kan-yuan, student; 4,870 men divided into three columns, operating in Southeast Hupeh in vicinity of Puchi, Tayeh and Kiukiang, Kiangsi.

Ninth Army

Commander Ts'ui Chi-chi; under organization and will operate in Hupeh.

Tenth Army

Commander Chow Hsien-ying; has been formed and will operate in West Hupeh.

Eleventh Army

Commander Chu Tung-chih; 5,000 strong, formerly part of Red Army under Ho Lung and Yuan Yeh-ting; operates along East River in Kwangtung.

Twelfth Army

Acting Commander Teng Tse-hui, student; 8,860 men, divided into six columns, operating west of Fukien in the Han and East River districts; co-operates with Eleventh Army.

Thirteenth Army

Commander Hu Kwang-mien; in course of formation; sphere of operations Hunan.

Fourteenth Army

Acting Commander Ho K'un; Acting political officer Tung Wei-min, Whampoa cadet; 1,800 men operating in Kwangtung.

Others

In early December, when the various armies were situated as indicated. other armies were in process of organization in Hopei, Honan, Hunan, Kwangsi, as well as in Hsinan, and even in Manchuria.

Japanese Cotton Mills Benefit from British Strike

A *Rengo* telegram from Tokyo January 20 stated that the idleness of 700,000 spinning machines in Lancashire, following the break-down of compromise negotiations between the British capitalists and the workmen, had affected the Japanese cotton spinning industry favorably although the full extent of the British cotton crisis on the Japanese cotton spinning industry had not yet been fully ascertained but it is undeniable, said the telegram,that the Japanese cotton industry has been given a new impetus by the industrial crisis in Great Britain.

New Chinese Consulate in Formosa

The Ministry of Foreign Affairs has announced the early opening of a new Chinese consulate-general at Taihoku, Formosa, in exchange for which the Japanese will be permitted to establish a consulate-general at Chengchow, Honan. The Ministry has appointed Lin Shao-nan Consul-General and Yuan Chia-ta Vice-Consul to serve at the new post in Formosa.

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Dairen and Port Arthur---It's Now Japan's Move

BY HUANG CHING-SHU

(Chinese Nation, September 17)

ENGLAND having returned Weihaiwei to China, Japan should likewise voluntarily restore Dairen and Port Arthur, so that the Japanese should win the good-will of the Chinese and receive lasting benefit through her economic development. This is the gist of a statement made by Dr. C. T. Wang, Foreign Minister of the National Government, in an interview given some months ago before a group of press representatives in Nanking.

It may here be recalled that on April 18, a treaty was concluded between Dr. Wang and Sir Miles Lampson, British Minister to China, for the rendition of Weihaiwei to China with the condition that Liukungtao be rented to England as a summer resort for the British marines for a limited term of ten years. This has been hailed, however, by the Chinese as a stepping stone toward the success for the retrocession of similar concessions or settlements in other ports of China.

Ever since its establishment in Nanking, in 1927, the National Government has endeavored steadfastly to work for the gradual abolition of the extraterritorial privileges so long enjoyed by foreign reisdents in China in accordance with the socalled unequal treaties. In this connection it may be pointed out that the restoration of China's tariff automony has already been effected and recognized by eleven countries. Furthermore, the conclusion of new treaties with Belgium, Spain, Portugal, Italy and Denmark on the basis of equality and reciprocity has brought China nearer to the position of an independent state. The voluntary retrocession of the British settlement in Kiukiang and of the Belgian settlement in Tientsin by England and Belgium in 1927 and 1929 respectively was another step in the right direction. Undoubtedly, these are the direct results of the National Government's effort to fight for the gradual recovery of China's lost sovereignty.

In view of the fact that the present Hamaguchi Government in Japan, unlike that of the late Baron Tanaka, is in pursuit of a friendly and concilatory policy toward China, and that it holds itself ready for negotiations for the settlement of outstanding issues between the two countries (of which the recent recognition by Japan of China's tariff autonomy is a definite accomplishment) the Japanese Government should take this occasion to avail itself of the opportunity to renew the friendship and to strengthen the good-will of the Chinese people by the voluntary return of Dairen and Port Arthur, a territory the Japanese had in their control for more than 25 years.

Talienwan, Dalny, Dairen

Dairen was formerly named in Chinese as Talienwan while Port Arthur was and still is called Liujun. These two territories are in an area at the southern extremity of the Liaotung Peninsula, on the Gulf of Pechihli, which is an ice-free port in the Far East. By an agreement concluded on March 27, 1898, Talienwan and Port Arthur were leased to Czarist Russia as the Kwantung Leased Territory for a term of 25 years as a compensation for her effort to initiate the intervention of Russia, Germany and France, through which this territory was retroceded by Japan to China in 1895.

Russia had at one time constructed a commercial port here on an extensive scale. The place was named Dalny, meaning "Far Away" in Russian, and is known at present as the "Russian Machi," being situated north of the tracks of the South Manchurian Railway. Definite projects have been devised for the development of Dalny and Port Arthur, and the most significant accomplishment was the effort of both the Chinese and the Russians for the construction of the Chinese Eastern Railway, which runs from Manchouli to Pogranitchnaya, covering a distance of 922 miles. It is estimated that the Czarist Government has spent about 30,000,000 roubles on the development of the City and the Port of Dalny.

Then came the war of 1904-05 between Russia and Japan. By the Treaty of Portsmouth (1905), by which this war was brought to an end, the lease of the Liaotung Peninsula was transferred to Japan, with the rights attaching to the control of that portion of the Chinese Eastern Railway south to Changchun (known as the South Manchuria Railway). Ever since the control of the Peninsula by the Japanese, efforts have been put forth for the further development of the territory. The city planning of Dairen has followed very closely that handed down by the Russians; the harbor construction, including the breakwaters of the port, the quay and the wharf, were inherited in part from the Russians.

The Japanese have since then made great efforts to develop the South Manchuria Railway, through which the so-called railway zone has been developed. The Japanese have exerted along the railway zone (on the narrow strip) jurisdictional rights over the land and the people, and in some large and important stations, they have widened the zone to an area of more than 1,500 acres. Aside from the political aspect, the Japanese control of the railway zone undoubtedly has great significance in the economic life of Manchuria, for wherever there is a commercial centre along the railway, the Japanese would naturally have a better chance and employ a high hand in absorbing whatever gains and privileges they could think of.

The management and control of the Peninsula by the Japanese is mainly divided between the Kwantung Government and the South Manchuria Railway. The former takes charge of the civil administration and policing of the territory while the latter supervises the work of harbor construction and assumes full administrative power along the railway zone. The final authority of the area rests in the hands of the Governor, who is also charged with the supervision of the railway. Dairen is to-day the openport for all Manchurian foreign trade. With its railway transportation facilities, the flow of merchandise to and from Manchuria is largely through the port. It is, nevertheless, a trading port with huge amounts of imports and exports, but by itself is never an industrial centre. The adjacent port of Port Arthur is a naval base where no industrial plants can be found, and the population consists of Japanese service-men and Chinese farmers.

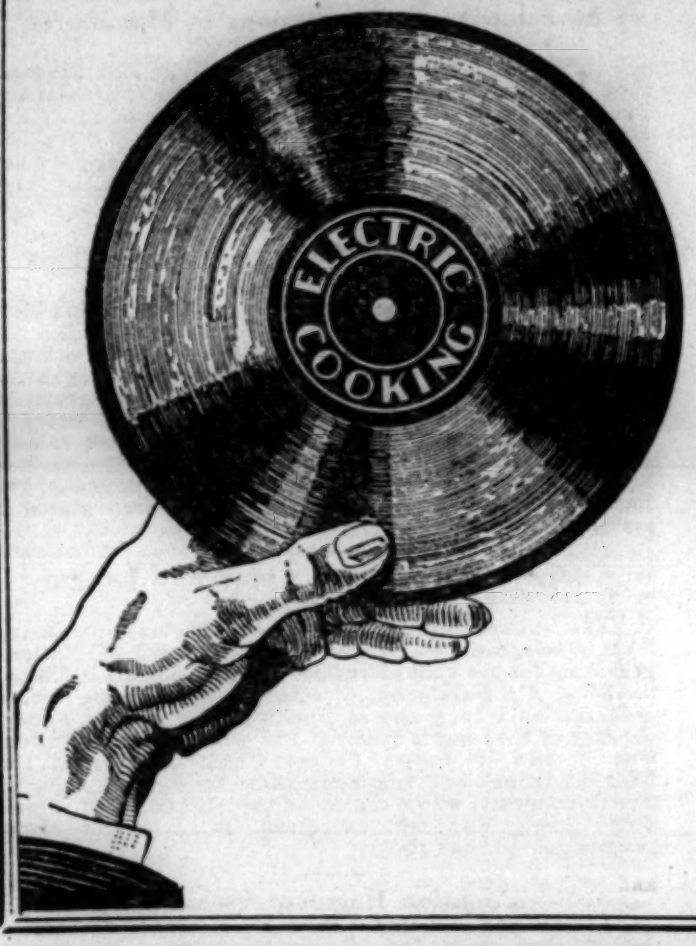
The population of Dairen has been steadily increasing. During the Russian occupation, the population was merely 18,000. By September, 1927, this had increased to 211,165 of whom 130,107 were Chinese; 80,682 Japanese; and 381 others. According to the census taken in March, 1929, the population has increased to 238,600, comprising 152,211 Chinese, 85,019 Japanese, 952 Koreans, and 408 others. As compared with that of the previous two years the sharp increase of population in Dairen was due chiefly to the constant inflow of Chinese emigres and emigrants in the last few years. The emigrants can well be divided into two extreme classes, the erstwhile officials of the defunct Peking Government, and the poor farmers of Shantung. The former class went to Dairen with plenty of money and their presence is especially welcomed by the Japanese. The coming of the poor farmers was also desirable as they might render cheap but efficient service.

There has been much evil in Dairen in connection with their maladministration and the subsequent harm done to both the Chinese Government and people as well. In the first place, it affords a place of refuge and a base of operation for the corrupt Chinese officials, who went there in order to escape punishment from the Chinese Government and to deposit their "loot" with the Japanese banks. It seems obvious that this somewhat resembles Macao, which is also a resort for dishonest ex-officials, bandits and outcasts, who seek to escape public condemnation at a place where the Chinese authorities are unable to deal with them. One very obvious incident in Dairen was that during the latter part of 1928, when Chang Tsung-chang was ousted from Shantung by the Nationalist Army, the Japanese authorities in Dairen permitted him to arm and fit out an army directly under the eyes of the Japanese police with the object of staging a "come-back" in Shantung.

A Base for Narcotic Operations

Dairen also serves as a base of operation for dealers in narcotics and other illicit drugs. For many years, there has been in the City a powerful ring of dope smugglers, who operated throughout Manchuria, and were composed of smugglers of Japanese, Korean and Chinese nationalities. Under the protection of the Japanese flag, these people have amassed vast fortunes through the undertaking of such an illicit trade.

There is also in the city a considerable traffic in arms and ammunition, which are sold chiefly to the bandits in Manchuria. In October, 1929, the Harbin police intercepted a complete machine gun unit, and a large quantity of ammunition, which had been smuggled from Dairen, along the South Manchuria Railway, and finally to North Manchuria for delivery. The Tokyo Government, it is stated, knew little of what had actually been going on in Dairen for years. The place was in fact under the direction of a small group of Japanese, composed of ex-officials, retired military men and merchants, who appeared solely to be



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avaricious for economic gains, and often disregarded the orders of the home government.

Aside from these evils, the Japanese people live as if they are the masters of place. They seldom associate with the Chinese. One rule, very unbearable to the Chinese, is that picture-taking is prohibited on the streets of Dairen. The Japanese, especially the officials, have found it a joy to display from time to time a contemptuous regard for the Chinese.

Foreigners would often ask: "Is Dairen a Chinese or a Japanese City?" One might easily be misled by the assumption that as the Japanese flag is flying over the City, it is controlled and managed by the Japanese military and civil authorities, and that the Japanese have, therefore, the sovereignty over the territory. Legally speaking, Dairen is unquestionably Chinese territory. From the treaty standpoint, Dairen ceased to be a leased territory to the Japanese when the original term of 25 years between China and Russia expired in 1923. The Japanese Government was supposed to have had an extension of 99 years of the lease when she presented to China the Twenty-one Demands in 1915. But as a matter of fact, the Japanese have never procured the recognition of the Chinese nation, and the invalidity of these demands will most likely receive no more adverse comment by the enlightened opinion of the world. Hence the Japanese are not in any legal position to insist upon the fulfilment of their demands.

From the standpoint of population, the Chinese in Dairen have far outnumbered the Japanese. The Chinese pay taxes and comply with the Japanese laws and regulations, yet they feel sure that they are living on Chinese soil, and they have long cherished the hope that they will soon be benefitted when the National Government takes over the administration of the territory. It may here be repeated that Dairen is merely a trading port. As the Japanese have stated again and again that their interest in Manchuria is chiefly commercial, it is obvious, therefore that the City has absolutely no political significance to the Japanese nation. Port Arthur is only a naval port, and has no economic importance to the Japanese Government.

Ever since the formation of the Hamaguchi Government in Japan in 1929, the importance of an economic co-operation between China and Japan has been much stressed, and as such being stressed by Yosuka Matsuoka, formerly vice-president of the South Manchuria Railway, the Japanese Government should seriously encourage the full realization of China's aspirations in order that they might obtain the good-will of the Chinese people. It is perhaps safe here to conclude that the Japanese Government is seeking a friendly attitude toward China, and that she is preparing to negotiate for the settlement of any outstandinig issue between these two countries. Chinese citizens fully believe that the bese results the Japanese would procure in their economic co-operation scheme would be through a voluntary retrocession of Dairen and Port Arthur to China.

Favorable London Comment on Chinese Bonds

The London *Daily Mail* made the following comments on Chinese Bonds December 22. Chinese 5 per cent. 1913 bonds are at the present time the fourth loan charge on the country's Maritime Customs revenues. However, it is worth noting that of the three loans which rank in front, one is due to be redeemed next March and another in February, 1932, leaving only the 4½ per cent. Gold Bonds of 1898 as a prior charge after the latter date. The Boxer indemnity obligations also rank as a charge on the customs prior to the 1913 loan, but as for the most part the indemmity moneys are used in China for the furtherance of objects of Chinese national interest, their position is hardly that of an ordinary loan. The price of the 5 per cent bonds is now 69, which is inclusive of the half year's interest to be paid on January 1, next. At this level they provide a flat yield of more than 7 per cent. The bonds are redeemable by drawings at par in March each year, the final drawing being in 1960. It can thus be seen that there is a chance of considerable capital gain from these bonds if drawn in the near future. As is the case with the 1898 Gold Bonds, the German issue of the 1913 loan is ordinarily priced rather lower than the English issue and, before making a purchase, the prospective investor should inquire from his broker as to which is the cheaper. For those prepared to take the risks of a possible renewal of serious disturbances in China, these bonds seem attractive, particularly in view of the fact that past civil wars have never led to default on them.

In the Fields of Finance and Reconstruction

New Postal Regulations to be Adopted Shortly

The Ministry of Communications has instructed the Department of Posts to draft for consideration of the Government a new Postal Administration Law. In this connection the Postal Administration will make a study of postal regulations in various parts of the world as a means of modernizing the Chinese service.

New Hygiene Propaganda Service

According to a *Reuter* report from York on Jan. 21 Dr. Wesley W. Peter, former president of the Shanghai branch of the China Medical Society, who returned to America sometime ago, has been invited to head a new Hygiene Propaganda Service which is being organized by the Health Department of the National Governmen.

Would Change Name of Harbin and Charhar

A report by the *Kuomin* news agency from Nanking on Jan. 21 stated that the National Ministry of the Interior is planning shortly to change the names of Harbin, the former Russian city in North Manchuria, and also of Charhar, the new province located to the north of Chihli (Hopei) in North China. The new names have not yet been announced.

Extension of Peiping-Suiyuan Railway to be Built

A *Reuter* report from Peiping on Jan. 24 stated that the Ministry of Railways had decided to complete the long-projected railway connecting Peotowchen and Ningshia. An office has been opened in Peiping for the purchase and forwarding of materials. The Peiping-Suiyuan railway extends northwestward from Peiping through the Great Wall to Kalgan and thence westward along the Yellow River to Powtowchen.

Long-Distance Phones in Shantung

A new long-distonce telephone service connecting Tsinan, capital of Shantung and Tsining, important city in the southwestern part of the province, was opened on Jan. 18 according to a dispatch from Tsinan. The new line connects eight districts in the province by telephone with the provincial capital, including Tungping, Ningyang and Wenshang. This completes the linking-up of some 28 districts in the province by telephone, according to the report.

Would Prohibit Gold-Bar Speculation

A report by *Kuomin* from Nanking on Jan. 25 stated that new regulations prohibiting gold bar speculation on the stock exchanges had been formulated by the Ministry of Industry and approved by the Central Political Council. The report stated that the new regulations consist of ten articles and that the Municipality of Greater Shanghai as well as the Association of Stock Exchanges will shortly be instructed to enforce the new regulations, the object being to prevent ' wild" speculation in gold and silver.

Reconstruction Commission Retains Control of Projects

The National Government Council is understood to have agreed that work in connection with the Nanking Power Plant, Tsiehshuyen Power Plant, Factory for the Manufacture of Electrical Apparatus, Changhsing Coal Mine, Hwainan Coal Mine and Model farm irrigation which have been under the control of the National Reconstruction Commission shall continue to be carried on as at present until other arrangements are made.

Chekiang's Cotton Production

According to statistics recently compiled on the production and export of Cotton, it is stated that the province of Chekiang produced during the past year a total of approximately 74,000,000 catties, of which about 50 per cent was exported to Shanghai, Fukien and other ports as well as to foreign countries, Among the Cotton producing districts, Shaoshing heads the list with a total annual production of 17,600,000 catties. Yuyao comes next with 16,800,000 catties, nearly 85 per cent of which was exported.

Manchurian Radio Stations in Manchuria Show Profit

A report from Shenyang (Mukden) on Jan. 23 stated that the various radio stations in the Northeastern Provinces in 1930 showed a gross income of more than $600,000. Those in Liaoning (Fengtien) earned more than $400,000, the remaider or $200,000 being equally divided between Kirin and Heilungkiang. The income in the three provinces in 1929 was only $300,000.

Kiangnan Dock to Build New Cargo Ships and Gunboats

Li Chung-kung, Managing-Director of the China Merchants Steam Navigation Company announced on Jan. 24 that contracts had been signed with the Kiangnan Dock and Engineering Works (Government owned) at Shanghai to construct six new cargo and passenger ships for service on the Yangtsze. It was also announced that the Ministry of the Navy had contracted with the Kiangnan Dock to construct a new gunboat to be known as the *Chienwei*. The Kiangnan Dock last year constructed two gunboats, the *Tatsung* and *Jensheng*, both of which have been placed in service.

Cooperation Between China and League of Nations

The National Government on Jan. 16 made public the texts of telegrams exchanged with the League of Nations providing for the visit of various League officials to China, including Dr. Rajchman, director of the League Health organization, who is now in Nanking; Sir Arthur Salter, director of the League financial and economic organization, who is now in India; Robert Haas, director of the League's transit and communications body. The Government's telegram, which contained the signature of President Chiang Kai-shek, expressed the hope for closer cooperation in the future.

Legation Removal Question

According to a dispatch from *The Review's* correspondent at Nanking on Jan. 16, the Government has finally decided to set aside plots in the northwestern section of the city of Nanking for use of the foreign legations, it being decided that no single legation would be permitted to acquire more than 20 mow of land. The value of the land will be fixed by the Land Bureau of the Nanking Municipal Administration. While it was at first thought that the Government would purchase the present Legation property in Peiping, it is now thought that the Government will merely exchange new plots in Nanking for the present property owned by foreign legations in the Legation Area in Peiping.

Manchurian Immigration

Preparations for the execution of an extensive scheme to accommodate in the North-eastern provinces a large number of refugees and disbanded soldiers from various parts of the country are being made by the Northeastern authorities. General Chang Hsueh-liang during his recent visit to Nanking is understood to have submitted a proposal to the Central Government as a means to wards the partial solution of the unemployment question. The plan calls for the migration between spring and summer this year of 200,000 persons to Manchurian territory for reclamation work. Expenses for the carrying out of the scheme are estimated at $10 millions, of which six millions are to be appropriated from the Central Treasury and the balance to be borne by the North-eastern authorities.

Interest Paid on Provincial Loans

The first public drawings for the redemption of part of the principal of two Provincial Loans, (Kiangsu Provincial Rreconstruction Loan and the Kiangsu Provincial Rehabilitation Loan) were held on Jan. 15 at the Chinkiang Chamber of Commerce under the supervision of delegates from the Ministry of Finance, the National Auditing Board, the Kiangsu Provincial Government and the Provincial Department of Finaces. Terminal numbers drawn were 24 and 34 for the Reconstruction Loan and 05, 50, 75 and 89 for the Rehabilitation Loan. Bonds to the amount of $200,000 and $280,000 respectively will be redeemed through the Bank of China, Bank of Communications and the Central Bank throughout the province as from the 31st inst. Interest coupons for undrawn bonds may be presented to the above-mentioned banks for payment beginning from the some date.

Promotion of Farming Enterprises

Establishment this year of a number of agricultural organs throughout the country for the special purpose of promoting agricultural enterprises and directing the farmers in the use of modern scientific methods of cultivation has been ordered by the Ministry of Industry, in a circular telegram to the different Provincial and Municipal Governments. Funds for the organs will be provided partly by the Central Government and partly by the local authorities concerned. In a memorandum to the National Government Council, the Ministry is understood to have petitioned for a grant of $225,000 for these organs during the first year, and suggests that the amount be appropriated from the Boxer Indemnity Refunds and the Customs revenue.

New Building for Royal Asiatic Society at Shanghai

According to a report in *The Shanghai Times* on Sunday, Jan. 25 sufficient funds are now available to begin construction of a new building to house the museum and library of the Royal Asiatic Society. The report stated that voluntary contributions amounting to Tls.25,000 had been obtained in addition to a grant of Tls.50,000 from the Municpal Council of the International Settelement, making Tls.75,000 considered sufficient to begin construction. In addition to the foregoing, it was stated that nine members of the community had agreed to contribute Tls. 500 each. The land on which the present building on Museum Road stands is owned by the British Government. It is said to be worth Tls. 75,000.

Aerial Program for First Six Months of Current Year

China's aerial program for the first half of the current year has been determined, according to information from the Ministry of Communications. It includes inauguration of the Nanking-Peiping and Shanghai-Canton air mail and passenger services of the China National Aviation Corporation and the Nanking-Peiping-Manchuli section of the Nanking-Berlin service operated by the Euro-Asia Aviation Corporation. Satisfaction is expressed over the work which has been accomplished during the past year in the development of the country's aviation enterprises. It is recalled that besides the operation of the Shanghai-Nanking-Hankow air line, a commercial service connecting Canton with Wuchow, Swatow and Hainan has also been started. A report of the air routes now in operation and to be shortly operated will be dispatched to the International Postal Convention to facilitate the drawing up of a world air-mail postal map.

Air-Mail-Passenger Service Between Harbin and Mukden

A report by the Japanese *Rengo* service on Jan. 23 stated that an American firm had been granted a contract to establish an air-mail passenger service between Harbin and Mukden. The company was reported to have a capital of $500,000. The *Transocean-Kuomin* service published a report from Moscow on Jan 23 stating that the Soviet Government had contracted with Dr. Wilke of the Zeppelin works in Germany to assist the Soviet Government in the construction of Zeppelins and the establishment of a regular service between Russia and the Far East, including China and Japan. In an interview, Dr. Wilke expressed the opinion that Zeppelins were more suitable for long-distance flights than heavier-than-air machines. A report by *Kuomin* from Hankow on Jan. 25 stated that trial flights on the Hankow-Chungking section of the Shanghai-Nanking-Chengtu service would be conducted the latter part of the present month. The Aviation Department of the Ministry of War announced on Jan. 23 that a National Aviation Conference would shortly be convoked in Nanking.

Construction of New Buildings in National Capital

According to an announcement of the Ministry of Communications of the National Government on Jan. 23 the new building for the Directorate-General of Posts, which was started last year, will be completed in the coming spring. The new building, which is located in the Sanpailou section of the city will cost approximately $1,000,000 and will be a combination of Chinese and foreign architecture somewhat similar to the new Ministry

(*Continued on page 336*)

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Who's Who in China

Kao Ping-chung, electrical engineer; native of Chekiang; born in Yunnan, 1882; was graduated from the Yunnan Provincial Electrical College; during the last years of the Ching regime, he held various positions successively in the electrical department in the Yunnan Provincial Government; after the establisment of the Nationalist Government, he continued to remain in the Government service: in Dec 1927, he was appointed by the Nationalist Government as director of the Electrical Administration of Yunnan and concurrently director of Yunnan Radio Administration Bureau which positions he has been holding up to the present; at different times, he was also connected with the Nationalist forces in Yunnan in charge of electrcial affairs in the Army.

Kao Ping-chung
高柄中宇漢吾

Aw Boon Haw, medical expert, druzgist and philanthropist; born at Yungting. Fukien; second son of Mr. Hu Tsi-ching who traded in Chinese medicines in Burma in the last years of the Ching Dynasty and opened a drug store, the Tiger Medical Hall, in Rangoon, Burma; while young, he assisted his father in the management of the drug business which soon became very prosperous; after many years of study and research in Chinese medical science with his brother Aw Boon Bar, he invented and compounded many useful medicines, the best known of which are the Tiger Balm, Headcure, Chinka White, Balashin, etc., which have become so popular that they now enjoy a wide market throughout the whole world, the annual business done in these drugs being over several million dollars; Mr. Aw is of very kindly nature and considers it his duty to aid the aged and pity the poor; when he began to accumulate capital as a result of the expansion of his business, he sets aside large sums of funds for public welfare works, his motto being "riches that derive from society should be used for the benefit of society." While in Rangoon, realizing the urgent need of education for women, he established the Chinese Girls' Public School with himself as President and contributed more than a hundred thousand dollars to the institution; later, he in association with other overseas Chinese merchants founded the Overseas Chinese Middle School and also contributed $10,000 towards its establishment; to relieve the aged, the infirm and the poor, he contributed considerable sums for the building of Homes for Aged in Mandalay and Thanton and assumed the sole responsibility for their annual running expenses; during the rebellion of ChenChiung-ming against Dr. Sun Yat-sen in 1924, he contributed $3,000 to Dr. Sun's war chest for the suppression of the rebellion, and revolutionary leaders up to today still mention the incident with pleasant memories; owing to the growing expansion of his business, he established the second pharmacy at Singapore in 1923 and also moved his family there; during the great flood in North China in 1924, he was elected chairman of the committee for raising subscriptions to relieve the flood sufferers and he personally contributed $5,000 to the relief fund; when Gen. Chiang Kai-shek launched his Northern Punitive Expeition and his forces were gripping with the Northern militarists in Honan, Mr. Aw with a view to encouraging the revolutionary youths for the service of the country contributed over ten thousand dollars to the military funds and presented to the Nationalist Government a large quanitity of medicines to be sent to the front; during the Red Uprising at Canton in 1927, Mr. Aw contributed another $100,000 to the Canton Chamber of Commerce for distribution among the victims; in the same year, he returned to China and opened a branch store in Shanghai, where he saw many aged and poor begging for his succour and with a view to their relief, he contemplated to appropriate $300,000 for the construction of a Home for the Aged in Shanghai: when the Tsinan Tragedy occurred in Mar. 1928, he was the first among the overseas Chinese to contribute $15,000 to the Nationalist Government for relief of the victims of the Tragedy; in the same year, when the drought was spreading in Honan, Shensi and Kansu, he was elected a member of the Relief Committee and he contributed $5,000 and also many boxes of medicines to aid the famine sufferers in these provinces; when National Government issued the Rehabilitaton Public Loan, he subscribed $100,000 to the loan, for which he was awarded a First Class Gold Medal by the National Government; in 1930, he was appointed a member of the Planning Commission for the Education of Overseas Chinese by the Ministry of Education and also member of the National Commercial and Industrial Conference by the Ministry of Industry, Commerce and Labor; when he arrived in Shanghai after an extensive trip to the North, he was welcomed by the National Government to pay a visit to the new Capital and in connection with the matter of the Home for the Aged he, after discussion with Minister Sun Fo and other Gavernment leaders, cancelled his original intention to build the Home for the Aged in Shanghai and donated $350,000 to the Central Hospital for the construction of a hospital for women and children; in addition to this large donation, he also contributed to many other educational and philanthropic institutions such as the Tai Hsia University in Shanghai, Chung Kai Memorial Agriculture School in Canton, Canton Hospital and other public organizations; in addition to being a philanthropist, Mr. Aw is also interested in spreading Chinese culture and promoting physical education; he established two newspapers, *the Burma Morning Post* in Rangoon and *Singapore Daily News* in Singapore and entertained many Chinese athletic teams who visited the South Sea Islands; Mr. Aw owes much to his brother Aw Boon-bar for his success in business.

Aw Boon-haw (Hu Wen-hu)
胡文虎

Opium Trade Flourishes Despite League Propaganda

The publicty and propaganda conducted by the Central Opium Board of the League of Nations have failed to reduce appreciably the world traffic in opium. according to a report recently presented to the Council of the League by L. A. Lyall, chairman of the Opium Committee, who was formerly Commissioner of Customs at Shanghai. Mr. Lyall says that the traffic in opium continues on an immense scale and that, failing other means, the Central Opium Board must use its powers to denounce countries which are in danger of becoming centres of the illicit traffic. The report of the Central Opium Board to the Council of the League complained that certain countries, some of which signed the Geneva Opium convention, were slow in responding to its reqest for information. Some of them gave the figures of only legal imports, not referring to the seizure of illicit drugs. Other countries lumped the figures for their tropical and European territories together, while information from South American and Central American states was almost entirely absent. The Council of the League has adopted the Board's suggestions that it should be allowed to recommend an embargo on imports of drugs from offending countries; also that the origin of illicit drugs that are seized should be reported to the Board.

China in Relation to the Opium Problem

The League of Nations has released for publication the report of the Opium Traffic Advisory Committee which they appointed to inquire into the "control" of opium smoking in the Powers' possessions in the Far East. The commissioners toured the Far East during a good part of last year and upon returning to Geneva, they submitteed their recommendations to the League as to what should be done about the opium situation in the Powers' colonies. A telegram from Geneva stated that the Committee had adopted its report to the League Council January 23.

The Committee, it will be recalled, owes its origin to the contention, chiefly British, that the extent of opium smuggling in the British colonies would render inadvisable their attempt at a progressive suppression of the consumption of opium, as agreed upon by the powers in the Hague Convention of 1912. Article 6 the Convention provides:

> "The contracting Powers shall take measures for the gradual and effective suppression of the manufacture of internal trade in, and use of prepared opium, with due regard to the varying circumstances of each country concerned, unless regulations on the subject are already in existence."

That provision since it was made (as Garfield Huang, general secretary of the National Anti-Opium Association of China points out) has remained but a scrap of paper. Instead of attempting to give it effect, the Powers, twelve years later, effectively defeated its purpose by ingeniously providing that they "would undertake to suppress the consumption of prepared opium within a period of fifteen years from the date as determined by a League of Nations commission *when the smuggling of opium from the producing countries ceases to be a serious obstacle to the enforcement of the restrictive measures.*"

This trick provision was adopted by the Geneva Conference after both China and the United States had withdrawn from the conference, seeing that the Powers which derived vast profit out of the opium business evinced no intention to make a definite commitment.

Since then China has remained the scapegoat of avaricious interests. With unfortunate political conditions obstructing suppression of poppy in China, the blame has been laid at her door that the foreign colonial governments could not fulfill their international undertakings because of her—although it must be remembered that the opium smoked in the Powers' colonies is of either Indian or Persian origin, and that China herself has also found a problem in the smuggling of foreign opium.

Among the terms of reference given the League of Nation commission of inquiry it is to be noted that two of the four clauses read:—

> "3. The nature or extent or the illicit traffic in opium in the Far East."
>
> "4. The difficulties caused in the fulfilment of these obligations (made in the Hague and Geneva Opium Conference)."

The question that the findings of the commission will help determine is, therefore, whether the period of fifteen years within which the various colonial Powers pledged to suppress the consumption of opium is to be commenced immediately; or is the prescribed period to be further indefinitely postponed?

In China the opinion has ruled that the fifteen-years period could have been started long ago, and certainly it should begin right now. Any argument that the conditions in opium producing countries, and especially in China, rendered impossible progressive suppression of consumption in the foreign colonies should not be taken seriously (Mr. Huang continues,) except as an attempt to whitewash the policy of those governments which have enormous revenues at stake in suppression.

No country in the world has been able to prevent smuggling entirely, smuggling of opium or of other contrabands. Even in China where opium is cultivated, the smuggling of Indian and Persian opium also presents a problem for the Chinese preventive service. The discovery of 19,400 lbs. of Persian opium, estimated to be worth several million dollars, on board the steamer *Clance* on November 21 well illustrates the extent of the illicit traffic in foreign opium in China. Indian and Persian opium, which are of better quality than Chinese opium, may be purchased in any quantity from opium shops in the Shanghai French Concession. Besides, no less than forty tons of opium derivatives are smuggled into China annually, according to the estimate of Dr. Wu Lien-teh.

Dr. Wang King-ky, formerly Chinese representative in the Council of the League of Nations, in a recent statement on the opium situation throughut the world says the Commission's report dissipates the last ray of hope that any action would be taken by the Powers concerned to ameliorate opium smoking conditions in their respective colonies in the Far East. The report, he says, upholds the Opium monopolies and drives the last nail into the coffin within the which Hague Opium Convention of 1912 has been buried. Dr. Wang recognizes that opium conditions in China are far from what they ought to be, but it is far stretch of the imagination, he says, that China is blamed for conditions in the Powers' Far Eastern colonies where enormous revenues have been realized out of the drug business.

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Men and Events

J. V. Crowe, manager of Ford Motor Company, Exports, Inc., of Shanghai, departed last week on a business trip to Hongkong.

R. D. Abraham delevered a lecture on "Chinese Pottery and Porcelain" before the Shanghai Royal Asiatic Society, Thursday, January 29.

S. G. Kirkland, representative for the Corbin Lock and Hardware Company, has returned to Shanghai from a business trip to South China.

J. Kasai, for many years secretary to Baron Shibusawa, addressed the Pan-Pacific Association in Shanghai January 26 on "Tokyo of Yesterday and To-day."

Chien Yung-ming, the Shanghai banker who was recently appointed Minister to France, proceeded last week to Peiping where he conferred with M. Wilden, the French Minister.

A concert was recently given by Tchao Mei-pa (Edward M. P. Chao) in the Royal Hall of the Grand Harmony, Brussels. Mr. Tchao is being coached by Prof. M. Weynandt, a leading Belgian artist.

Dr. John C. H. Wu, formerly President Judge of the Criminal Division of the Shanghai Provisional Court, is prominently mentioned for the position of Chinese Secretary of the Municipal Council.

By arrangement with the Japanese Government, a party of four delegates from the Ministry of Navy at Nanking departed for Japan last week to investigate the operation of naval dockyards in that country.

H. L. Terzin has been appointed cashier of the American Express Company's office in Shanghai, in succession to John Stenersen, who has been transferred to another post. P. A. Netland has been appointed accountant.

Dr. Y. S. Tsao, formerly president of Tsing Hua College, Peiping, has been appointed honorary secretary of the Institute for the Promotion of Rationalization and Scientific Management of the Ministry of Industry.

The death occurred at the Blue Hospital, Shanghai, January 20 of Dr. Eduardo Francis de Meglio, an American citizen. The funeral was held January 24 under the auspices of the Shanghai Lodge A. F. and A. M.

A local downtrain of the Tientsin-Pukow Railway was derailed January 25 near the Chiakou station, about 70 miles north of Pengpu. There were no casualties and the minor damage to the railway tracks was repaired in a few hours.

The Soviet steamship service between Vladivostock and Shanghai has been resumed with chartered ships flying non-Soviet flags. Two ships which arrived last week brought large stocks of cranberries, smoked salmon and caviar.

Miss Shiao Shu-yen was recently admitted to the Royal Conservatory of Music, Brussels, being the first Chinese girl to enter. Miss Shiao is the niece of Dr. Shiao Yiumei, Director of the Chinese National Conservatory, Shanghai.

Mrs. Hsu Wei-tsun, wife of the president of the Second Branch of the Kiangsu High Court, and her daughter, Suteh, received minor injuries in a motor accident which took place in Avenue Road, near Seymour Road, Shanghai, January 26.

A Hankow telegram, dated Jan. 26, in the *Sin Wan Pao* stated that one woman communist, named Tien Sholan, after being tried and convicted by court-martial, was shot to death by the gendarmes of the Provisional Headquarters of the Commander-in-chief.

Cable rates between China and America and other Pacific centres were definitely decided upon at Nanking January 23 between the representatives of the Ministry of Communications and the Great Northern, Eastern Extension and Commercial Pacific Cable Companies.

The South Manchuria Railway Company is effecting a general improvement of equipment in the port of Kawasaki so as to facilitate the transport of products from Manchuria and Mongolia to Tokyo and its neighborhood. Construction work on two new piers will be taken in hand in the near future.

The U. S. Navy Department announced in Washington January 21 that Captain Y. S. Williams, U. S. N., is to succeed Rear Admiral Thomas Tingey Craven, U. S. N., as the commander-in-chief of the Yangtsze patrol. In December of last year Captain Williams was selected for promotion to the grade of rear admiral.

A party of Japanese boy-scouts, under the leadership of Count Futara, numbering some 20, who had been on a visit to Siam on invitation of the Boy-Scout organizations in that country passed through Shanghai during the week on their way home. While in Siam, the Japanese boy-scouts attended the "international Jamboree" held in that country.

L. Everett, Inc., shipping agents in Shanghai have received confirmation of previous reports that the Roosevelt Steamship Co, Inc. and interests associated with them have acquired ownership and control of the International Mercantile Marine Co., owners of the White Star Line, the Red Star Line, Leyland Line and Atlantic Transport and Panama Pacific S. S. Companies.

Lieuenant-Colonel N. W. B. B. Thoms, of the New Zealand Staff Corps, who has been appointed to the post of Commandant of the Shanghai Volunteer Corps, is due to arrive in Shanghai on March 10 by the s. s. *Hector*. The present Commandant, Colonel H.B.H. Orpen-Palmer, is relinquishing his appointment and will sail for England via Canada on March 8.

A telegram from Havana January 26 stated that upon protests from Ling Ping, the Chinese Minister to Cuba, officials of the Cuban government suppressed the popular motion picture, "East Is West." Minister Ling protested vigorously against exhibition of the American film on the grounds that it untruthfully depicted the trading of Chinese women in public markets.

Dr. C. T. Wang, Minister of Foreign Affairs, who went to Tientsin two weeks ago to superintend the retrocession of the Belgian Concession, but who became ill and went to a Tientsin Hospital shortly after the ceremony, has recovered and returned to Nanking. Dr. M. T. Z. and Mrs. Tyau, who accompanied Dr. Wang on his trip and who also had been ill in North China, returned to Nanking with Dr. Wang.

The official *Central News Agency* at Nanking reports the following appointments recently made by General Chiang Kai-shek: General Wang Chun, commander-in-chief of Government forces along the Tientsin-Pukow railway; General Ku Chu-ching, commander in-chief of Government forces along the Lunghai railway; and General Hsu Yuan-chuan, commander-in-chief of Government forces along the Peking-Hankow railway.

The Council of the League of Nations in session at Geneva on January 19 agreed to the application of the Chinese Government for the services of Sir Arthur Slater and Robert Haas to advise on the reform of China's finances and the organization of her inland waterways. Sir Arthur Slater is director of the economic and finance section of the League and Mr. Haas director of its communications organization.

The report of the Police of the Foreign Settlement of Shanghai for December shows that there were four armed kidnappings, two of which resulted in murder, six cases of abduction, 71 armed robberies, 71 cases of housebreakings and 214 cases of simple theft. The total number of crimes in December compared with that in the previous month shows an increase of 136 cases. The largest number of crimes reported in December was committed in Louza and Central districts.

The National Foreign Trade Council will meet in New York City May 27, 28 and 29 next. A recent report by O. K. Davis, secretary of the Trade Council, states that in common with a general recession of trade the world over the foreign trade of the United States dropped off measurably last year. America's foreign trade, nevertheless, was thirty per cent greater in 1930 than before the war. The recession in volume of trade during 1930 amounted to between 12 and 15 per cent.

A *Rengo* telegram from Mukden January 21 stated that Mr. Hayashi, Japanese Consul General at Mukden, proceeded on that date to the official residence of Marshal Chang Hsueh-liang in order to hand over to the Young Marshal the Japanese decoration of the Grand Order of the Rising Sun as the gift of the Japanese Emperor. The conferring of this decoration took place in the presence of a group of distinguished Chinese officials, including General Chang Tso-hsiang.

In response to an invitation from the Nanking Government Dr. William Wesley Peter will return to China next month in order to organize a Hygiene Propaganda Service. Mr. Peter is well-known in Shanghai and was for a number of years lecturer on Public Health at St. John's University Medical School. He was editor of the department of preventive medicine of the *China Medical Journal* and the founder of the *Health Magazine*, Shanghai. For the year 1925-6 he held the office of President of the Shanghai Branch of the China Medical Society.

The regular monthly meeting of the Underwriters Savings Bank for The Far East, Inc., was held in Shanghai January 24. The board of directors of this bank consists of R. J. Corbett, assistant general manager, Standard Oil Co. of New York; R. W. Davis, managing director, *North China Daily News*; Mansfield Freeman, president, Asia Life Insurance Co.; W. A. Main, treasurer, Methodist Episcopal Mission; F. W. Siemssen, senior partner, Siemssen and Krohn; F. R. Smith, of Boyd & Co., Ltd.; C. V. Starr, president American Asiatic Underwriters; and J. E. Swan, senior partner, Swan, Culbertson & Fritz.

Fidelity of Christians in the East

To the Editor, *The China Weekly Review*:—

"Will India Become Christian?" is the title of a book by J.W.R. Netram published by Richard R. Smith, Inc., New York, and reviewed by "H. B.C." in a recent number of your magazine.

I do not know who "H.B.C." is, but I do know that any fair-minded man, and anyone who has lived for years among Chinese Christians and knows them, would take exception to what he says in his review, or rather comment, of this book. The same could probably be said of those who know the Christians of Japan and India.

Anyone familiar with Church history and the fidelity of the followers of the Lord through these two thousand years cannot but be impressed with the steadfastness of the thousands upon thousands who remained true under great trial and persecution, making full sacrifice by death rather than deny their Lord. Surely there is no more glorious page in the history of mankind than that which records this faithfulness of the followers of Christ Jesus.

Are those in China, India and Japan who trust in Christ less worthy to "follow in His train?" This can be answered only in the affirmative. One needs only to recall the fidelity of the thousands who became martyrs during the Boxer uprising and in similar times of distress here in China, and to work and live among the Chinese Christians, as some of us are privileged to do. Not only are the faithful undergoing great persecution in Russia, but many at this time are being sorely tried in some parts of interior China. It is true that some who professed to be Christians fall back, but are these real Christians? They may have been "educated in Christianity," but there is a big difference between accepting some of the teachings of Christianity and becoming followers of Christ. The latter means a revolutionized life, repentance and giving up sin, regeneration, submitting one's will to the will of God, taking up the cross of Christ and following Him.

The writer has lived in the interior of China twenty years, working among and with Chinese in Shantung and Manchuria who have become Christians. I must say that I take my hat off to them. "H.B.C." has not had opportunity to know the real Christians of China, Japan, or India. He says in his review: "Although thousands become Christians and some Orientals remain in the Christian faith, many give it up altogether and go back to their temples." We have worked in China two decades and are not aware of Christians having gone back to their temples in numbers. In my experience I know of two. One of these had joined the church because he was being used as a teacher. I wonder where "H. B. C." got this. His information regarding the actual status of real Chinese Christians seems to us superficial, as some writers who visit Shanghai or other ports and then write "authoritatively" on China.

"H. B. C." reviews Mr. Netram, the author of "Will India Become Christian!" as a native born Indian, a fluent and forceful speaker of English and conversant in many Indian languages, a Christian Nationalist who believes that the greatest progress and blessing will come to India through the acceptance of Christ as India's Savior. He quotes him as saying: "The day is fast approaching when East and West will mingle in the unique person of Jesus Christ and out of that mingling will evolve a more glorious, a stronger, a more uplifting and a richer Christianity than this world has ever known before."

If Mr. Netram is as described by "H.B.C." then why should his opinion not be worth something? Why should the reviewer of his book regard himelf superior in knowledge as to the progress of Christianity and the steadfastness of Christians? Can he say more of himself than he has said of the author?

Your reviewer closes with the comment: "A Christian India is an ideal worth struggling for, but unfortunately it bristles with difficulties." Certainly there are difficulties! We have them, have had them and will continue to have them as long as the world stands upside down. Only those engaged in real mission work back interior know what the difficulties really are. We have difficulties galore and even discouragements, but we are engaged in a task that is a winning one.

This work of leading man from lives of sin to faith and purity and serving the living God is indeed not an easy one. It is the hardest task that has been committed to the hands of man. But those of us who are thus engaged, in this greatest of all enterprises are not discouraged. We ask for no pity and make no compromise. We do desire that full recognition of the faithful followers of the Lord be given, and that our constituency continue to back us up as in the past. In the meantime we work on with a realization that the kingdoms of this world will untimately become the Kingdom of our Lord and His Christ.

CHARLES A. LEONARD.

Harbin, Manchuria, Jan. 11, 1931.

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New Books of Interest in the Far East

Chinese Farming Methods

Chinese Farm Economy, by John Lossing Buck. Published by The Commercial Press Ltd., Shanghai: An American edition published by The University of Chicago Press, Chicago, Ill. 427 pages excluding Appendices.

As its name implies, this book is a study of farm management, farm tenancy, food consumption and standards of living on 2,866 farms in seventeen localities of seven provinces in China. It should be of value not only to those professionally interested, but also to those who want a clearer idea of Chinese agriculture. The considerable amount of tabulated information supplies a very useful source of material.

Very little has really been hitherto known about farming in China. This book is a first attempt to discover scientifically the actual facts about the farm business. Information of this description is fundamentally important in the solution of the major problems which are now facing the people of this country.

One vitally important aspect which must not be ignored is to be found in the conclusions the author has drawn from his material. These conclusions run counter to certain long accepted ideas.

Not the least interesting part of the book are the many diagrams and illustrations. These photographs give one a good idea of the primitive farming implements used by the Chinese for the production of their common necessities of life. In these photographs we see women and children irrigating a newly-planted rice-field by means of the "ladder" or endless wooden chain pump; the water being taken from a lagoon situated nearby. Other photographs give us an idea of the development of the fruit industry in Chihli, whilst others depict the raising of the small Chinese peanut. The tabulated data has been purposely inserted to give the interested student an idea of relatiye profits and losses per farm, and it is no exaggeration to say that this data in itself in indispensable if one is to receive a thorough knowledge of farming as it is practised in this part of the world.

The author says in his Preface that the study of farm management and rural social conditions in seventeen localities in China is the outgrowth of a desire for systematic knowledge of Chinese farming. It was begun with the purpose of giving students practical experience in the collection of data and with the hope of obtaining material for teaching purposes. The book was not intended for the general reader, but it has been written in such a way that anyone can follow the text without difficulty.

The method used in the collection of data was based on the *survey method*, in which the inclusion of a large number of farms offsets the general disadvantage of no written records. As the author informs us, the *survey method* is the only practicable method where there is such a large percentage of illiteracy and where no accounts are kept. The author need not have apologized for the possible discovery in statistical errors. One wonders how he was able to collect such valuable statistical information with such colossal difficulties confronting him.

H. B. C.

In the Dark Continent

Then I Saw the Congo, by Grace Flandrau; Harcourt, Brace and Company, New York, 1929. 308 pages with index and illustrations.

The author of this book has made Africa alluring. Her story of travel there is different from other books we have seen; it holds one's attention because of the new perspective of the writer. We find a charm enveloping the whole story. Mystery, fact and superstition seem to have been mingled in just the right proportions to bring about a new concept of Africa, her scenes and peoples.

As we recall other books on Africa it seems that they were all of the imparting-information-whether-you-want-it-or-not kind. There are some exceedingly interesting hunting tales of Africa, and some wonderful books of travel, but for pure charm we choose this book with a title taken from Vachel Lindsay's poem. The following quotation will show the style of the book—"Nothing could be more puzzling than the wise, sad, foxy look in Sophie's amber eyes. (Sophie was a monkey.) We tried to define and to limit her intelligence but could never decide whether she knew more than we thought, or whether we thought she knew more than she did. And she never failed to vary her periods of wild misbehavior with sudden lapses into a sly, dovelike, goody-goodiness and mock humility. All with the air of thinking us very childish and easy to fool. Days round with sun passed somnolently over Wamba. The palms whispered, the green was so green it turned the faint blue mist to lavender; the clean red earth was redder here than elsewhere, and at dawn the white mist made the red road look like an autumn road at home. There is something special about Wamba, some sorcery. It puts a spell upon you. It is an old place. Already on a map of Africa made in 1721 I find the word Wamba sprawled across the whole district. Wamba must have been a great king of ancient lineage.

"It is high noon. Under a thatch, half in sunlight, half in shade, crouches a naked, bronze boy. He is not sleeping, not awake, but motionless in the alert, trancelike quiet these people fall into—like the dreamy wakefulness of a cat. His legs and arms are rounded with fine shadow. He is a statue. Tall men sit in the shade on little mats, naked too. They make no sound, they are smiling with all their white teeth and languid, brilliant eyes, and they play a game with smooth, polished seeds. Ten porters go by, carrying a heavy log on their shoulders. They sing as they march, and the muscles stand out all along their pink-palmed feet and spreading horny toes meeting the earth with a soft jarring thud, heavy with the weight on their shouiders.... A young girl stops to stare; her slender body gleams like dark metal, her breasts are as firm as fresh fruits, and a scarlet flower is stuck through her ear. Beside her is an old, old woman, lean and wrinkled like a tobacco leaf, but the young girl does not look ahead and see herself. All day an idiot woman sits happily on an elephant skull clasping to her naked breast two large red tomato tins from New York, and just in front of me a brilliant insect hangs as if suspended on a thread, his wings moving so fast you cannot see them at all. The riddle is too big even to guess at. There is no riddle, only life—'The wind is my brother, and my sister is the rain.'"

The author states that the desire to see and to photograph primitive people took her to Africa. She evidently did this well and the story of her journey will give pleasure to many and no doubt, inspiration to those who look longingly upon the less well-known paths of travel.

November 28, 1930 G. B. S.

Irrigating the Punjab

Canal Irrigation in the Punjab—An Economic Inquiry Relating to Certain Aspects Of Canal Irrigation By The British In The Punjab, by Paul W. Paustian, Ph. D. 164 pages excluding Appendices. Published by the Columbia University Press.

The incentive for attemting such a study as this may be briefly summarized as follows: Comparatively little accurate information is available to persons in countries outside India concerning Indian economic life. For the Indian student of economic conditions, materials in the form of governmental reports and special studies may exist but the reports are widely scattered and comparatively little attention has been devoted to the interpretation of the data which has so far been collected.

In this little monograph the author has sought to add to that scanty information by presenting the results of an impartial and systematic study of some of the changes which canal irrigation schemes is bringing about in the Punjab. Mr. Paustian has undoubtedly made every effort to put forward the problem of the Punjab as that problem exists. His book makes no attempt to exhaust the possibilities and implications of canal irrigation in the Punjab. On the contrary, his literary effort is limited to a study of historical developments of irrigation during the period of British rule, 149-1927, and a few of its economic implications.

In his introduction the author sketches in broad outline the general geographical features of the Punjab, a brief characterization of its people and reference to its early history. Part one is devoted to an historical sketch of the launching, development, construction, and expansion of the canal irrigation projects in the Province under British initiative. Part two concerns itself with the effects of irrigation on the density and distribution of pupulation in the province and incidentally with the relative growth of population in the province and the extension of the arable area of the Punjab; the attempt is then made to present certain facts relating to increased food production and wealth directly due to irrigation. The trend of the argument in this section is that, due to the extension of

irrigation, the available cultivable land area has increased more rapidly than the population has grown—thus resulting in a slightly broader base upon which to produce food for a relatively smaller number of people per cultivated acre.

In the final section of the book the author deals with the fiscal aspects of canal irrigation. It is there shown that the irrigation schemes of the government have proved a decided fiscal success and that a considerable profit has accrued.

The author arrives at the interesting conclusion that the canal-irrigation charges which are borne by the peasant are high relative to his standard of living. Mr. Paustian rightly says that the net return to the Government from this irrigation service represents a handsome return on the capital investment.

The book possesses some useful maps which will help to guide the reader in his studies of an absorbing problem, and although the author praises the efficiency of the British rule in India, one must make allowances for the fact that the author has only dealt with one aspect of the whole problem of India; which undoubtedly is an achievement that deserves recognition. Of the major problems of the Punjab, chiefly political, the author is silent. Perhaps this is because the author does not consider that it comes within the scope of his little work.

Altogether the book is a useful one and should find its way on the bookshelves of every private library. It is volumes of reference such as these which help us to gain that knowledge of a problem which would be denied us if left to our own limited resources. H. B. C.

Recent Pamphlets Received

A booklet entitled "Richard Mills Pearce, Jr." is being distributed by Dr. Gist Gee of the Rockefeller Foundation, Peiping. The booklet contains addresses delivered at the memorial meeting for the late official of the Rockefeller Institute for Medical Research which was held in New York City in April, 1930.

The Journal of the Association of Chinese and American Engineers (Peiping) for November contains articles by G. J. Todd, E. W. Lane, R. I. Rees, H. F. Moore and G. W. Brophy. The writers discuss various phases of engineering as applied to Chinese life.

The Outlook in China

(Manchester Guardian, Dec. 23, 1930)

Dr. C. Kuangson Young, Special Commissioner in Europe of the Chinese Government, recently delivered an address to the Manchester Chamber of Commerce on the situation in China. This is published today. Chinese news is distressingly complicated, and many people have come to regard China as a country hopelessly given over to civil war and brigandage. Dr. Young's address serves to remind us that the Nationalist Government has, in fact, survived the tumults of the last few years and is now engaged in slowly but surely restoring order to an enormous population which from divers causes has fallen into a state of chaos. When one considers the difficulties that have faced the Nationalist Government its mere survival is little short of a miracle. There has been communism, lavish of promises and preaching the inevitability of violence; there have been the generals, each with his private army, each seeking to emerge from the Revolution as supreme master of at least a province; there have been the Foreign Powers, suspicious of the new nationalism because of its acknowledged opposition to their treaty privileges; there have been banditry and brigandage, able to flourish unchecked beacuse of the pre-occupation of the Government forces with civil war and finding ready recruits in the unpaid soldiery abundant everywhere. Such difficulties would strain the resources of long established Government; Dr. Young does not pretend that his Government has successfully dealt with them, but he does suggest that it is on the way to doing so. And with the civil war virtually at an end there is every prospect of China's economic and social problems receiving a good deal more attention from her Government than hitherto. It is entirely to the interest of this country that the Nationalist Government should make good. We have everything to gain from a stable and unified China. Dr. Young pleads for goodwill, for co-operation, based on a recognition that the new China demands a different kind of relationship with foreign powers than the old China. We should be foolish indeed if we failed to satisfy him in this respect.

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DEPARTMENTS

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NANKING'S VIEWS ON THE SILVER AND FINANCIAL SITUATION

(Continued from page 314)

To refer again to the various loan proposals, the best suggestion probably has been made by Dr. H. H. Kung, Minister of Industries, who suggested that the two schemes be combined, or in other words that China arrange for two foreign loans, one in gold and the other in silver. The gold loan could be in the form of gold credits abroad which could be used in financing the Government's purchases for reconstruction purposes, while the silver loan could be used for purely domestic purposes in China.

IN THE FIELDS OF FINANCE AND RECONSTRUCTION

(Continued from page 329)

of Railways building completed last year. In addition to the building for the Postal Department, it was also announced that plans have been completed for the construction of a new building for the Central Party Headquarters, which will be located off the Chungshan Boulevard in the vicinity of the ancient Ming Palace. The building will be paid for by contributions from Kuomintang Members and will cost approximately $2,000,000.

Kwangsi Makes Peace

Gen. Huang Shao-hsiung, former chairman of the Kwangsi provincial government and one of the four leading militarists who have opposed the National Government in South China, arrived in Nanking on Jan. 25 for the purpose of discussing peace with Gen. Chiang Kai-shek. Gen. Huang was met on his arrival at Nanking by Gen. Ho Ying-chin, Minister of War and other officials of the Government. He was accompanied to the National Capital by Gen. Wu Ting-yang, representative of the Commander-in-Chief, Huang Hua-nai, former commissioner of education and others. After an interview with Gen. Chiang Kai-shek, the Kwangsi commander called on Hu Han-min, Wu Chih-hui, Chang Ching-kiang and other leaders and discussed the problem of peace in South China. In an interiew, Gen. Huang declared that fighting has definitely been stopped in the South and that the other Kwangsi leaders, Li Tsung-jen, Bei Tsung-chi and Chang Fa-kwei (leader of Ironsides) are awaiting the decision of the Central Government. Gen. Huang also declared his intention of supporting the Government and cooperating in the anti-Communist campaigns in Hunan and Kiangsi.

According to a report of Gen. Huang's arrival in Nanking which appeared in the *Sin Wan Pao* on Jan. 27, Gen. Chiang Kai-shek has wired to Gen. Chen Chi-tang, commander of the 8th Route Army at Canton urging him to come to Nanking immediately in order to participate in the discussions pertaining to peace and rehabilitation of Kwangtung and Kwangsi. The report in the *Sin Wan Pao* quoted Gen. Huang as denying the reports that Gen. Chang Fa-kwei was planning an invasion of Yunnan. Gen. Huang on Jan. 26 visited the Sun Yat-sen mausoleum and was entertained at dinner by Gen. Chiang Kai-shek and other government leaders.

A report from Hongkong on Jan. 26 stated that Gen. Chen Chi-tang, commmander of the 8th Route Army at Canton and chief opponent of the Kwangsi group, had arrived in Hongkong on his way to Nanking, his purpose being to submit reports to the government regarding military conditions in Kwangtung and Kwangsi, participate in the discussions pertaining to peace between the two provinces, disbandment of surplus troops and reorganization of political and party affairs.

According to a *Reuter* report from Peiping dated Jan. 26 a delegation of Shansi generals have expressed serious dissatisfaction with the results of the Tientsin conference with Marshal Chang Hsueh-liang and have sent a telegram to Mukden severely criticising Gen. Shang Chen, chairman of the Shansi provincial government, for not making a better deal. They have also wired to Gen. Chiang Kai-shek at Nanking protesting at the plans agreed upon for reorganizing the Shansi military forces. They have threatened, in the event they do not receive better treatment, to resign and go abroad.

League of Nations Begins Study of Drug Seizures

The League Opium Committee at Geneva on January 26 began its examination of the list of seizures of drugs between November 1929 and June 1930.

Sir Malcolm Delevingne (Britain) drew attention to a large seizure of Persian opium at Hongkong in September and emphasized the value of information obtained from China as regards consignments of drugs.

He said this value would be enhanced if the Chinese authorities would not delay information and if they sent particulars in such cases to the governments of countries from which the drugs were dispatched.

Large Opium Seizure in New York

Six-hundred half-pound tins of opium were seized by Customs officials in New York January 26 during inspection of the British motor ship *Ruby Castle*, which arrived there from Port Said. The seized drug is valued at more than G.$120,000. The opium was concealed at the base of a hollow steelmast.

Brophy's Flight to Manila Beset with Difficulties

Flying the Waco bi-plane *Phoenix*, G. W. Brophy took off from the Hungjao airdome near Shanghai, shortly after eight o'clock on the morning of January 23, with the intention of inaugurating a mail service between here and the Philippines. It had been intended to start at an earlier date, but the attempt was postponed owing to bad weather. The original intention was to make it a one-stop flight between here and the Philippines capital. A number of difficulties, however, supervened. Owing to a fog Brophy was forced down first at Chuchow, in southern Chekiang. Resumption of the flight from there was delayed owing to the necessity for securing a permit from the Chekiang authorities. Brophy eventually landed at Foochow at 2 p. m. January 25. He resumed his flight from there early on the morning of January 26, but as a result of his plane being weighted with ice be was forced down after flying forty minutes. He returned to Foochow, abandoning his plane temporarily. At last reports he was making arrangements to have the plane repaired, and then hoped to continue his fight on to Canton and Manila.

Railway Commercial Conference Results in Reforms

The Railway Commercial Conference convened by the Shanghai-Nanking Railway and Shanghai-Hangchow-Ningpo Railway, presided over by Liu Wei-tse, Director of railways, was finally concluded January 20 after five meetings had been held. In a manifesto issued to the public following the conclusion of the conference, assurances were given that the railway administration will do its best to enforce the various resolutions which were passed concerning the reforms of the railway freight service, which it was stated would prove to be of mutual benefit to both the railways and to commercial bodies.

"Mosquito" Papers Are Ordered to Register

The Shanghai District Kuomintang has issued an order to all newspapers to register before February 12, failing which steps will be taken to suppress them. The new order is particularly aimed at the "mosquito" papers, a term which is applied to the numerous small irresponsible sheets appearing in Shanghai, many of them subsisting on blackmail. A general order for the registration of journals, newspapers and other publications with the Propaganda Department of the Kuomintang was issued last year, but only the more important and responsible journals have so far complied with the order.

Postage Rates to Foreign Countries Again Increased

The minimum letter rate to foreign countries, which was increased from ten to fifteen cents, about a year ago, will now be increased to twenty cents, according to an announcement made by the Chinese Postal Administration. Simple registration is raised to twenty cents and double registration to forty cents. The rate on parcels to Japan, Hongkong, and similar nearby ports under foreign jurisdiction will be doubled. The rate on newspapers to foreign countries will be increased from three to four cents per 50 grams. The increases are attributed to the low price of silver.

SOME FACTS ABOUT SILVER AND WORLD FINANCIAL SITUATION

(Continued from page 318)

United States across the Pacific, and to-day we are connected in our commerce by a great Pacific fleet.

The United States Government has in its Treasury between 400,000,000 and 500,000,000 standard silver dollars that constitute a dead, frozen asset, earning no interest whatever. This silver has in the past been used to meet world emergencies, and it can, under proper conditions and inducements, probably be used again as part of a fund for the revivification of China. Such a concerted act, through increasing the purchasing power of China, would not only benefit our own commerce, but would benefit the commerce of Great Britain, France, Japan, and other countries.

It is unreasonable to expect the United States to take on this great burden unless Great Britain, France, Belgium, Japan, and other interested countries are willing to cooperate, at least to the extent of desisting from those acts that have almost annihilated the purchasing power of silver, and which, if persisted in, may absolutely destroy it as a basis of credit and an instrument of trade. The major problem, however, is the elimination of the causes that are unnaturally depressing the price of silver, the stabilization of the money of the world, and the restoration of the normal purchasing power of every country.

Hanyang Area in Control of Reds

A *Reuter* telegram from Hankow January 23 stated that a Communist band came into conflict with the 48th Division on January 19 near the Hung lakes, during the latter's anti-bandit activities. The Communists were driven towards Hanyang and at dawn the next day they surprised the garrison at Chu yu-shan (Dwarf Hill), near the western suburb of Hanyang, and disarmed them. They then disappeared, evidently making their way up the Han river. The troops at Hanyang did not engage the bandits although the bandits must have passed very closely to them.

It is reported that territory for 700 li square, commencing about 10 li west of Hanyang, is a regular Communist Soviet stronghold with its own government and public services.

More Mennonite Refugees Arrive at Harbin from Russia

(Special Harbin Correspondence)

Another large party of German Mennonites, who managed to escape from Soviet Russia, arrived in Harbin on Jan. 20, many of them in a distressful condition due to privations and the severe winter weather. Many suffered from frozen limbs and at least eight had to be taken to local hospitals for surgical operations. Most of these German Mennonites were originally settlers in South Russia and Central Siberia where they possessed rich lands. Due to the enforcement of the Soviet land-socialization program, and the red anti-religious campaign they began to move into Siberia several months ago and settled down temporarily in the valley of the Ussuri River and in the vicinity of Blagovestschensk on the Amur, their purpose being to remain near the border in order to be able to escape from Soviet territory. Temporarily they enlisted in the Soviet labor gangs which operate in the forestry districts along the Amur and in this way obtained possession of a number of good horses with which they managed to escape across the frozen Amur and thence for several hundred miles across the forests and open country to Harbin. The refugees who reached Harbin state that there are approximately 600 German Mennonites now inside Chinese territory, chiefly in the vicinity of Tsitsihar and Lishucheng on the western branch of the C. E. R. and at the Mulin coal mines on the eastern branch. Those who came to Harbin are consulting local Chinese officials and the German Consular officials regarding means for taking care of the large group of refugees.

The Mennonites are disciples of Menno Simons and date back to 1523 when a small community left the state church at Zurich. Despite persecution the sect grew and extended its influence into many countries. They were particularly strong in Holland, Germany and Switzerland, from which countries they emigrated to other lands, particularly to Russia and the United States. The strongest colony in America is located at Germantown, Pennsylvania, where they settled in 1683. Groups of Mennonites from Russia have been filtering into Manchuria for several months, but this is the largest group that has arrived, although it is reported that several thousand have fled into Chinese Turkestan and are collected at Tinwa.

中國評論週報

The China Critic

Vol. IV January 22, 1931 No. 4

EDITORIAL PARAGRAPHS:

The Death Penalty

Russia's Treason Trial

China's Foreign Trade Association

EDITORIALS:

Likin and The Business Tax

The Return of The Belgian Concession

SPECIAL ARTICLES:

The Chinese Madonna in the Making
By Sun chi-Hsiang

Justifications of the Chinese Exclusion Law
By Henry P. Chiu

Imitation vs. Adaptation in Educational Reconstruction
By A. Gorden Melvin

ARTS AND LETTERS

FACTS AND FIGURES

CHIEF EVENTS

FROM CHINESE PRESS

FROM FOREIGN PRESS

BOOK REVIEW:

The American Leviathan-The Republic in the Machine age
By C. A. Beard & W. Beard

THE CHINA CRITIC

50 Peking Road, Shanghai.

(Telephone 10976)

National Civil Affairs Conference Adopts Many Proposals

The National Civil Affairs Conference, after holding eight meetings at Nanking, came to a close January 24. The Conference dealt with a wide range of matters, including provision for adequate safeguards for officials, the reform of officialdom, the migration of unemployed to border provinces for colonization and reclamation purposes, and measures for the equitable distribution of food supplies; also made provision for an increase of admistrative efficiency, relief of uneployment, re-demarcation of provincial areas, improvement of the living conditions of the peasantry, building up of efficient police forces, revival of the ancient virtues, restriction of political activities of religious organizations, and the improvement and rationalizations of various social customs and practices relating to weddings and funerals.

Comprehensive Program

Among the proposals adopted were the following:

Revision of the Law govering the Organization of the District Government; abolition of the system of chu (sections) in order to curtail expenses;

Provisions of the Law providing for the establishment of various self-governing units to be made more elastic so as to meet special conditions in certain districts;

Completion of the organization of District Government in accordance with the new Law within the shortest time possible and realization of District Autonomy before the end of 1934;

Natives not to be eligible as District Magistrates of their own district;

Adoption of measures for the reduction of illiteracy among the masses;

Opening of more village schools;

Fixation of appropriations for the inauguration of District Autonomy;

Adoption of measures for the raising of funds requisite for the enforcement of District Autonomy;

Opening of special institutes for the training of police officers;

Standardization of the educational training for police officers;

Better treatment for the police;

Revision of the schedule of police pay so as to provide for increases in salaries as well as pensions for old age and retirement allowances;

Provision of adequate safeguards for police officers;

Early promulgation of Regulations governing the organization of Land Bureaux;

Promulgation of detailed regulations governing the application of the Land Law so as to facilitate the readjustment of land.

Opening of institutes for the training of surveying experts;

Re-survey of the entire country for the preparation of a new map;

Opening of factories for the manufacture of surveying apparatus.

Enactment of Regulation providing for the conscription of civilian labor for the construction of roads and highways.

Construction of public cemeteries;

Vigorous enforcement of opium-suppression measures;

Clear demarcation of the powers of Health Bureaux and Police headquarters;

Study of native Chinese medicines so as to rationalize native medical practice on a more scientific basis;

Opening in the various provinces of obstetrical hospitals and midwives' institutes;

Opening of hospitals for lepers;

Establishment of health centers;

Inauguration of itinerary clinics.

Manifesto Lays Stress on Enforcement

A manifesto reviewing the work of the Conference lays special stress upon the necessity of complete enforcement of the district autonomy system before the end of the political tutelage period as the pre-requisite to the inauguration of the period of constitutional government.

In the course of his closing address, Liu Shang-ching, Minister of Interior, pointed out that although the proposals adopted at the Conference were as many as nearly 300, the Ministry would endeavor to have them translated into realities. He also expressed the hope that all the delegates present at the Conference would strive their utmost to carry out the various measures.

Mahatma Gandhi Released Unconditionally

With the conclusion of the Round Table Congress in London there is evident a general lessening of repressive measures by the British authorities in India. A telegram from New Delhi January 24 announced that Viceroy Irwin had ordered the unconditional release of Mahatma Gandhi (arrested on May 5 of last year) and other members of the Congress Working Committee and had also cancelled the decree proscribing the Committee. Lord Irwin stated that he ordered the releases to enable the Congress to discuss dispassionately the British Premier's statement at the close of the Indian Round-table Conference.

Ramsay MacDonald has declared that if civil quiet were proclaimed the Government would certainly not be backward in responding to the plea which so many of his colleagues endorsed, that there should be an amnesty for political prisoners.

At the same time that Gandhi was released the following were also released:

Vallabhai Patel, formerly Acting President of the Indian Congress, who was sentenced on January 6 to nine months' simple imprisonment for violating an order prohibiting him from making speeches within the limits of Ahmedabad;

Sen Gupta, another Acting President of the Congress, who was sentenced on November 3 to a year's simple imprisonment on a charge of spreading sedition;

Mrs. Sarojini Naidu, the poetess and orator, who succeeded Gandhi and Abbas Tyabji as the leader of the civil disobedience campaign and who was imprisoned in connection with a raid on a salt depot at Dharasana;

Pandit Jawarlal Nehru, one-time President of the Congress, who was sentenced on October 29 to two years' imprisonment with hard labor on three charges, namely, sedition, abetting infringement of the Salt Tax and instigating the non-payment of taxes.

Huge crowds assembled to greet Gandhi upon his release. Garlands were showered upon him and a huge procession followed him to the house of a merchant in Bombay where he is staying. Gandhi told the assembled crowds, "If you love me go home and spin me yarn."

54,000 Indians Convicted

In reply to questions in the Legislative Assembly at New Delhi, January 26, Sir James Crerar, on behalf of the Government, said that 54,000 persons had been convicted of civil disobedience offences between April and December last. Of these, 20,000 were arrested for picketing and intimidation. During the same period, 11,000 persons charged with civil disobedience offenses had been released when they apologized. He added that 23,000 persons were now imprisoned. The casualties among the public owing to firing between April and July numbered 101 killed and 427 wounded.

Calcutta Mayor Arrested While Leading a Procession

Chandra Bose, Mayor of Calcutta, was arrested January 26 as he was leading a procession of members of Congress in celebration of the anniversary of Independence day. The police dispersed the demonstrators.

The action of the Calcutta police was in contrast to the police in Bombay, where apart from 14 arrests made in one suburb, they did not interfere with the ceremonies of saluting the national flag which were carried out in that city to celebrate Independence day.

Reds Demonstrate at Funeral in Manila

The first public demonstration by communists in the Philippines occurred in Manila January 25 at the funeral of Antonio Ora, chief communist leader, who was killed in an automobile accident last week. Ten thousand communists marched behind the cortege, while 20,000 lined the streets to view the demonstration. The marchers, many of whom came from the provinces, wore red bands instead of black on their left arms, and waved red flags. The authorities at first prohibited the display of red flags, but later relented on the promise that there would be no disturbance. Reaching the cemetery, the leaders of the communists delivered fiery speeches against capitalism and imperialism. A platoon of police, under six sergeants, followed the cortege to make sure there would be no disturbance, while police reserves were held in readiness at two police stations in case of trouble.

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Suicide of Baroness de Pidoll

The death occurred at the Shanghai Country Hospital on Thursday, Jan. 22 of Baroness Paulette de Pidoll, a native of Vienna, who was the estranged wife of Baron Charles de Pidoll, representative of Belgian and German steel interests with headquarters at Luxemburg. Baroness de Pidoll's death was due to poisoning caused by an over-dose of self-administered veronal which she took on board the Japanese ship *Nagasaki Maru* as the boat was entering the Shanghai harbor on Sunday morning, January 18. Baroness Pidoll was accompanied on the trip from Japan by Sir Frederick White, who until recently was political adviser to the National Government. As soon as the ship docked physicians were summoned and the Baroness was taken to the Country Hospital, but despite the efforts of physicians, among them Dr. G. Blumenstock, well-known German medical practitioner, her death occurred on Thursday morning. The funeral services were held on Sunday afternoon, Jan. 25 with burial at the Hungjao Road cemetery.

According to local report Baroness de Pidoll had been estranged from her husband since last October when she went to Japan, Sir Frederick Whyte being a passenger of the same ship. Efforts were made by mutual friends to effect a reconciliation but without success. Among those who are reported to have interceded was Charles R. Crane, former American Minister to China who has long been a close friend of Sir Frederick Whyte.

Sir Frederick Whyte, who formerly served as President of the Indian National Congress, was a delegate to the Conference of the Institute of Pacific Relations at Honolulu, being a member of the British Delegation. Following the close of the Conference he came to China and was appointed political adviser to the National Government, which position he held until recently. Sir Frederick's wife, Lady Whyte is now said to be in San Francisco, where she went following a trip to England last summer for the purpose of putting their children in school. Sir Frederick Whyte is well known in the United States and Canada where he has lectured frequently and where he has been the recipient of honorary degrees from McGill, Michigan and Dartmouth Universities. Sir Frederick is now in Shanghai residing at the Cathay Hotel. Sir Frederick's contract as political adviser to the National Government is reported to have expired early in last November.

Pittman Proposal Ready for the U. S. Senate

Telegrams from America during the week indicated that Senater Pittman's Committee would have its report ready and would submit the plan for a large silver loan to China to the Senate beginning of February.

The Pittman committee made public the minutes of the final sessions of its formal hearings January 24, the record being featured by the evidence of J.S.Darling, a member of the board of directors of the Midland Bank in London, who in effect told the members of the committee that there is no hope for higher silver values while Great Britain continues to sell Indian silver at low prices.

For nearly a year Senator Pittman's sub-committee has been seeking to determine the causes for declining trade between China and the United States and the relation to the decline of the depressed silver prices in the world markets. Senator Pittman believes that only by lending many millions of ounces of silver to China can silver values be increased and Sino-American trade restored to its former levels.

Important Gold Proposals Are Made by Geneva Gold Delegation

In the second interim report of the gold delegation on the working of the gold standard made public at Geneva, January 24, the most important proposals for achieving beneficial distribution of gold are:—

1.– A grant to the monetary authorities of the powers to enable them to pursue an advisable credit policy;

2 — Reduction of the existing minimun reserves legally required in the Central Banks in accordance with previous international understanding;

3.—The maintenance of the general practice of not circulating gold coin;

4.– Close collaboration between the Central Banks;

5.– Improved mechanism for the issue of foreign loans and the promotion of international transactions on existing securities.

The report observes that during the past 15 years, owing to the consequences of the war, the distribution of gold has been largely determined by non-monetary causes. These, the report adds, should work themselves out. The process may be slow but it could be accelerated by a restoration of confidence.

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Through tickets are issued and passengers' baggage registered through between the important stations on the Peiping-Liaoning Railway and the South Manchuria, Chosen (Korean) and Imperial Japanese Government Railways. At Peiping connections can be made with the Peiping-Hankow Railway and with the Peiping-Suiyuan Railway, and at Tientsin connections can be made with the Tientsin-Pukow Railway, for Tsinanfu, Nanking and Shanghai.

For information as to rates, schedules, accommodations, etc. apply to any Tourist Bureau, or communicate directly with the Traffic Manager

Peiping-Liaoning Railway

Head Office

TIENTSIN

An Advertisement of the Chinese Government Railways

No. 2

Dollar Line to Run Passenger Steamers via Panama Eastward to New York

The Dollar Steamship Line will inaugurate a new service between Manila, Shanghai and New York commencing in March. The new service will be inaugurated by the *President Jackson*, leaving Manila on March 28 and Shanghai on April 3. The *President Pierce* will leave Shanghaion March 27 to make the last run to San Francisco on the old schedule.

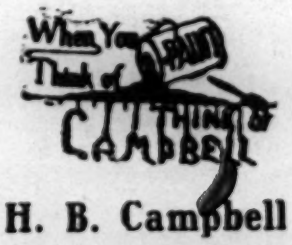
The new service will touch at San Francisco and Los Angeles and then proceed via the Panama Canal to New York, making the trip in 37 days. The run between the Orient and Seattle will be shortened by one day and the time between San Francisco and the Orient lessened by two days. The *Jackson* will start on her return trip to Manila on May 14 from New York. Following the *Jackson* will be the *Presidents Grant, Cleveland, Pierce, Johnson* and *Wilson*. The *Johnson* will offer special class accomodations at a fare of G. $183 from Shanghai to San Francisco.

After competing one trip the *President Johnson* will be replaced by the new crack liner *President Hoover* sailing from New York on her initial trip July 22 and due in Shanghai the first week in September. The *President Hoover* will sail from Manila on her return trip to New York September 12 and will remain in the New York-Manila service thereafter.

The round-the-world service by Dollar liners will remain unchanged. President liners will continue to sail westward from Shanghai around the world on alternate Wednesdays. The Seattle ships will run on a fortnightly schedule beginning with the sailing of the *President Taft* from Manila on April 2 and followed by the *President Jefferson, Lincoln* and *Madison*.

The second of the eight million dollar turbo-electric Dollar liners will be named *President Coolidge*, Dollar Line officials announced at San Francisco recently, after securing consent of the former President to use his name.

The new steamer will be launched at Newport News, Virginia, on February 21 and will take her place in schedule sailing from New York westward on October 15, 1931.



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Latest New York Stock Exchange Quotations

Market: Stock Business Done 1,601,720 Shares
January 28.

1930-1931 High	1930-1931 Low	Div.$ per Sh.	STOCK	Jan.26	Jan.27
37⅝	14¼	1.60	Adams Express	21½	21¼
136½	104⅝	4.00	American Can	113½	112⅞
101¾	25	—	American &Foreign Power	31⅝	30⅝
76⅞	11⅛	—	American& For. Power W.	17¼	17¼
79½	38	4.00	American Smelting	45⅛	45½
274¼	170⅜	9.00	American Tel. & Tel. ..	190	188¾
130⅞	99¼	5.00	American Tobacco "B" ..	108¾	109
124⅞	47⅝	*3.00	American Waterworks ..	58¾	58
81½	25	2.50	Anaconda Copper	34¼	34
33⅜	16⅝	*1.00	Atlantic Refining	20⅜	21¼
122⅜	55⅜	7.00	Baltimore & Ohio	81⅝	81
110¼	47⅞	6.00	Bethlehem Steel	51¾	51½
50½	15	1.00	Borg Warner	24⅞	24⅛
33⅜	7⅞	—	Calumet & Hecla	9⅝	9⅜
52¼	35¼	2.50	Canadian Pacific Railway	41⅞	41⅞
362¾	82½	6.00	Case J. I.	94⅝	92
43	14⅛	1.00	Chrysler..	18	17½
44¼	13⅛	p.30	Cities Service, Com.	17¾	18⅛
87	30⅝	2.00	Columbia Gas & Electric..	37½	36½
37⅝	7⅛	.75	Columbia Graphaphone ..	8⅝	8⅝
20¼	7½	.60	Commonwealth &Southern	9⅞	9⅞
6¼	1⅜	—	„ „ war.	2⅛	2⅛
136⅞	78¼	4.00	Consolidated Gas. of N. Y.	90¾	90
30½	7¾	—	Continental Oil	10⅛	10¼
14⅛	1¾	—	Curtiss Wright Co.	4¼	4⅜
145¼	80½	4.00	Du Pont de Nemours.. ..	88⅜	88¼
255¼	142⅛	5.00	Eastman Kodak	159	157½
117⅜	37⅛	6% S	Electric Bond & Share ..	44¾	44
67⅜	16⅛	4.00	Fox Film "A"	31½	31½
34⅝	4⅜	—	General Aviation	6¾	7⅜
95⅜	41⅞	1.60	General Electric..	45	44⅝
61¼	44⅜	3.00	General Foods	52⅜	52⅜
54¼	31½	3.00	General Motors	38¾	38⅝
106⅞	56	5.00	General Railway Signal ..	72½	73
47⅞	29	2.50	Gold Dust	35⅜	35½
58	15¼	—	Goodrich Rubber..	16⅞	16¾
96⅞	35⅛	5.00	Goodyear Tire& Rubber Co.	42	42⅛
59⅞	12	2.00	Granby	16⅞	17
62⅞	10	3.00	Hudson Motors, ...	22⅞	22⅝
75⅜	49½	4.00	International Cement ..	55	55½
14½	1¼	—	International Combu. Eng.	2¼	2¼
115¾	43¾	2.50	International Harvester ..	52¼	52¼
44⅜	12¾	1.00	International Nickel.. ..	15¼	15
77⅜	17⅞	2.00	International Tel.& Tel. ..	27⅛	26½
148¼	48⅛	3.00	Johns Manville	63½	63¾
63¾	20⅛	2.00	Kennecott	25½	24½
35⅝	20⅝	2.00	Kreuger & Toll	22½	22¾
48⅛	17⅜	1.00	Kroger Grocery	24⅛	24⅞
114⅜	76¼	4.00	Liggett & Myers, "B" ..	88⅛	89½
95¾	41⅜	3.00	Loews: Inc	51½	51
28⅛	8¾	—	Lorillard P (Co.) com- ..	13⅝	14⅛
44⅞	9¼	—	Ludlum Steel	13½	Unq.
49⅞	15¼	—	Montgomery Ward	19	19¼
32	9	1.00	Nevada Consolidated Co.	11½	11⅝
192¾	105⅛	8.00	New York Central	127	126¼
107⅛	45	3.00	Pacific Lighting	57	55½
23⅜	7¼	.60	Packard Motor Car	9⅞	9⅝
77½	34¾	4.00	Paramount—Publix Corp	44⅜	45⅜
86⅝	53½	4.00	Pennsylvania Railroad .	63¼	63
16½	5	.20	Pennroad Corporation ..	6⅝	7¾
44¾	11½	*2.00	Phillips Petroleum	13¼	13¼
123¼	65	3.40	Public Service of N. Jersey	81½	79⅝
69⅜	11¾	—	Radio Corporation	14	14½
50	14⅜	—	Radio-Keith Orpheum ..	18⅜	18
58⅝	40	3 00	Reynolds Tobacco "B" ..	44¼	44⅝
100⅝	43⅞	*2.50	Sears Roebuck	50½	51
25⅛	5¾	—	Shell Union	9½	9¾
94⅛	11	—	Simmons Company	17¼	16¾
72	40⅛	2.00	Southern California Edison	49½	49⅛
29¼	14⅛	2.50	Standard Brands	18¾	18⅝
129	54½	3.50	Standard Gas & Electric..	66	65½
84⅞	43½	*1.00	Standard Oil of N. Jersey	48½	48
40⅝	19⅜	1.60	Standard Oil of New York	24⅛	24
60½	28⅛	3 00	Texas Corporation	32¼	32¼
67⅜	40¼	4.00	Texas Gulf Sulphur	49½	49½
89¼	40⅛	3.00	Timken Roller Bearing ..	47	47½
47⅜	10⅜	1.00	Trans America	13½	13½
106⅜	52½	2.60	Union Carbide & Carbon	60¼	59⅜
242¾	166½	10.00	Union Pacific Railway ..	198	195
99	18⅜	—	United Aircraft & Transp't	26⅛	25¾
52	13⅞	.50	United Corporation	21⅝	21⅜
35	11	—	U.S. Rubber	13¾	13⅜
198¾	134¾	7.00	U.S. Steel	142½	142¾
143¼	44⅜	3.00	Vanadium	49½	49½
80¼	9¾	—	Warner Bros. Pictures ..	17½	17⅛
201	81⅛	5.00	Westinghouse E. & M. ..	86⅞	86¼
72⅝	51⅜	2.40	Woolworth	59	58⅞
			Call Money	1½%	1½%

Swan Culbertson & Fritz

Investment Securities—Local & Foreign

Safe Deposit Facilities

New York stock quotations received daily

Sassoon House Telephones 11200 (4 lines)

Sino-Japanese Cable Negotiations Still Drag On

Telegrams in the Chinese newspapers indicate that the negotiations at Nanking regarding the retrocession of the Shanghai-Nagasaki cable line are delayed owing to the non-arrival of Mr. Yoshino, one of the Japanese delegates, who is stated to be sick.

A *Rengo* telegram from Tokyo January 27 stated that as a preliminary to the submission of the recently signed Sino-Japanese Agreement regarding the Tsingtao-Sasebo cable line to the imperial sanction, the detailed examination of the wording of the agreement was made Jan. 28 jointly by Foreign Office officials and the secretariat of the Privy Council, to which the diplomatic document would be referred for examination by the Emperor as soon as the agreement had been submitted by the Government for imperial sanction.

Workers at B. A. T. Pootung Factory "Go Slow"

The 8,000 employees of the British-American Tobacco Company's factory at Pootung, opposite Shanghai, last week instituted a 'go slow strike," following tbe dismissal on November14 last of 200 employees in the tinfoil department. In a manifesto the workers speak of 'being oppressed by the imperialists" and having to "work for the foreigners". Specifically they consider the two weeks' wages and double savings that were given the dismissed workers not sufficient and ask that six months' wages and double savings should be given when workers are dispensed with. The management, it is stated by the Chinese press, has refused to comply with these demands.

Opposition Manifested to Recently Concluded Cable Agreements

Considerable opposition is being manifested among the Chinese public to the terms under which the agreements with the foreign cable companies were renewed at the end of the year. Local labor organizations and representatives of the Telegraphic Employees Association of Fokien have organized a society to protest against the results of the recent negotiations. They ask that the period for the cable landing rights should be shortened to two years, that the cable transmitting and receiving rights be withdrawn, and the Woosung-Shanghai-Paoshan underground cable as well as the Peiping, Tientsin, Taku, Foochow and Amoy submarine cables should be taken back from the cable companies without any conditions. They also ask that the cable rates either for Shanghai or inland should be fixed exclusively by the Chinese Government.

Foundation Stone Laid of New Telephone Exchange in Shanghai

The foundation stone of the new West Exchange of the Shanghai Telephone Co., situated in Medhurst Road between Bubbling Well and Avenue Roads, was laid January 24, by Brig. Gen. E. B. Macnaghten, chairman of the Shanghai Municipal Council. Brig. Gen. Macnaughten was introduced by F. Gill, who in the course of a short speech outlined the improvements which are being made in the telephone service and gave an account of the difficulties which had to be overcome. C. W. Porter replied on behalf of the Telephone Company.

Exchange Circular for the week ending Wednesday, 21st January, 1931.

The early part of the week was marked by violent fluctuations in the price of silver, principally on sales from America, and the market has been in a condition of great uncertainty from day to day. Again there has been discussion of a silver Loan to China, emanating from an interested group of silver producers in the U.S.A. which however, does not recommend itself to China's Minister of Finance, Mr. T. V. Soong, and it is difficult to see what benefit China could derive from such a loan,

Meantime fresh low records in silver have been reached during the week, and the New Year has so far brought little relief to silver or other commodities.

Silver:—On the 15th inst. opened at 13¼d, for spot and 13 1/16d. forward (a drop of 1/16th from the previous day) and G. $ 0.28¾, and closes today at 13⅜d. and 1 ¼d. G. $ 0 29½.

China and America have both sold, and India bought.

Exchange:—The official rate of T/T on London on the 1 th inst. was 1/3 1/16d: lowered next day to 1/3d: raised on the 19th to 1/3 1/16d: lowered on the 20th to 1/3 1/16d: and today raised to 1/3 1/16d.

The market opened on the 15th inst. with Banks and operators somewhat bewildered, and for a time rates were practically nominal, with T/T on London and New York at 1/3 1/16d. and G. $ 30⅛: 4 m/st Credits 1/3 3/16d and G. $ 31 7/16; Yen Cross rate 49½: Yen 160½: Gold Bars 720. Later a steady to firm tone developed, and T/T rates improved 1/8 and ¼ respectively, to fall away at the close to the original level. Gold Bars 733. Next day in spite of a raise in silver prices, there was further weakness at the opening, the best obtainable being 1/3 1/16d. and G. $ 30⅛ for T/T with export paper difficult to place without cover. Gold Bars 738. As on the previous day resistance to lower rates set in, and we closed with a good advance to 1/3 1/16d. and G. $ 30 7/16: 4 m/st Credits 1/3 1/16d. and G. $ 31⅛. Gold Bars 735.50. The 17th inst. once more opened weak at 1/3 1/16d. and G. $ 30⅜, with the Gold Bar up to 745. From the opening, however, the market recovered steadily all the morning, closing at 1/3 3/16d. and G. $ 31¼, with 4 m/st at 1/3 1/16d. and G. $ 32, the Bar closing at 726.50. A fair business was done.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver ... ... Tls. 102,179,000 a decrease of Tls. 1,018,000
Chinese and Mexican Dollars $ 162,480,000 an increase of $ 1,320,000
Estimated value Tls. 219,164,000 as against Tls. 207,152,000 held at this time last year

†	Average rates for Dec.	Thursday Jan. 15	Friday Jan. 16	Saturday Jan. 17	Monday Jan. 19	Tuesday Jan. 20	Wed. Jan. 21
Bank's selling rates		*opening* *closing*	*opening* *closing*	*opening* *closing*	*opening* *closing*	*opening* *closing*	*opening* *closing*
T/T on London	1/5.490	1/3 1/8	1/3	1/3	1/3 1/16	1/3 1/16	1/3 1/16
D/Dfts ,,	—	1/3 1/16	1/3	1/3	1/3 1/16	1/3 1/16	1/3 1/16
4 m/s ,,	—	1/3.5/16	1/3.7/16	1/3.1/16	1/3.5/16	1/3.5/16	1/3.5/16
T/T on India	98,100	85	84 1/16	84 1/16	85 1/32	85	85 1/32
T/T on France	900,480	780	774	774	787	780	787
T/T on N.Y.	35,355	30 5/16	30 3/16	30 3/16	30 3/16	30 3/16	30 3/16
TT on Demand		30 3/16	30 3/16	30 3/16	30 3/16	30 3/16	30 3/16
TTon Hamburg C. M.		128 3/16	128 3/16	128 3/16	129 1/16	128 3/16	129 1/16
T/Ton H'kong	79.54	76 1/32nom.	76 1/32nom.	77 1/32	76 1/32mon.	76 1/32nom.	7 · nom.
T/T on Japan	140.480	161 1/16	163 1/16	163 1/16	160 1/32	161 1/16	160 1/32
T/T on Batavia	8 .770	76	75 1/16	75 1/16	76 1/32	76	
T/T on Straits	159.020	183 1/16	185 1/16	183 1/16	182 1/16	183 1/16	182 1/16
Bk's buying rates 4 m/s B/L. Cred.&D/A	1,6 450	1/4	1/3 7/8	1/3 7/8	1/4 1/8	1/4	1/4 1/8
4m/sB/L D/P	—	1/4 1/8	1/4	1/4	1/4 1/16	1/4 1/8	1/4 1/16
6 m/s ,, B/L Cred & D/A	1/6 700	1/4 1/8	1/4 1/8	1/4 1/8	1/4 3/8	1/4 1/16	1/4 3/8
4 m/s B/F Cred D/A or D/P	951.520	845	820	820	827	820	827
4m/s N.Y.Lc.	37.165	32 3/8	32 1/8	32 1/8	32 1/32	32 1/16	32 1/32
4m/s ,, Doc.	—	32 5/8	32 3/8	32 3/8	32 1/16	32 1/32	32 1/16

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling.	Jan. 15	Jan. 16	Jan. 17	Jan. 19	Jan. 20	Jan. 21
Bullion.						
*London Price of Bar Silver per oz. (English Standard 925 touch) Pence						
**New York Price of Bar Silver per oz. (Pure)	13 1/16	13 11/16	13 3/8	13 5/16	13 1/32	13 5/8
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch)	G.$.28¾	G.$.29¼	G.$.28½	G.$.29	G.$.28 7/8	G.$.29 1/8
Shanghai Silver Bars (weight Tls. 100 (Carton) 999 touch)	Tls. 733.0	Tls. 735.0	Tls. 726.0	Tls. 733.0	Tls. 722.0	Tls. 708.0
Shanghai Mexican Dollars per $100	Tls. 112.0	Tls. 112.0	Tls. 112.0	Tls. 112.0	Tls. 112.0	Tls. 112.0
Native Bank Rate of Interest (Call money)	Tls. 72.1375	Tls. 72.0875	Tls. 72.2875	Tls. 72.0875	Tls. 72.1125	Tls. 72.10
*Closing Price in London for Previous day	1½%	2%	2%	2%	2½%	2%
**Closing Price in New York for Previous day ...						

Bank of England rate of discount	3 %	London on Paris	T/T 123.87
Bank of France rate of discount	2 %	New York on London	T/T 485 11/32
Londonopen Market of Dis. 3 m/s	2¾ %	Bombay on London	T/T 1/5 3/4
,, ,, 4 ,,	2¼ %	Hongkong on London	T/T 1/1 3/16
,, ,, 6 ,,	2 5/16 %	Kobe on London	T/T 2/0 7/16

FEARON, MAITLAND and SHAW

The National City Co. Gold Bond Quotations Received From Head Office

January 22, 1931.

SECURITY	RATE & DATE DUE	Price	Approx Yield%
The National City Bank of New York	Stock	96½	—
City of Antwerp	5 % Dec. 1, 1958	100	5.00
Argentine Government	6 % May 1, 1960	90¼	6.77
Canadian National Railway Co.	5 % Oct. 1, 1969	103½	4.80
Chile Government ..	6 % Jan. 1, 1961	80 bid	7.7
City of Vienna	6 % Nov. 1, 1952	86	7.29
City of Yokohama ..	6 % Dec. 1, 1961	96⅞	6.23
German General Electric (A. E. G.)	6 % May 1, 1948	84	7.68
German Central Bank for Agriculture.. ..	6 % Apr. 15, 1938	82½	9.29
Greek Government ..	6 % Feb. 1, 1968	85½	7.12
Japanese Government	6½% Feb. 1, 1954	104	6.17
Kingdom of Italy.. ..	7 % Dec. 1, 1951	97	7.28
Lautaro Nitrate Co., Ltd.	6 % July 1, 1954	56	11.43
Nord Railway Co. ..	6½% Oct. 1, 1950	107	5.99
Norwegian Hydro-Elec Nitrogen Corp..	5½% Nov. 1, 1957	98⅞	5.58
Oriental Development Co..	5½% Nov. 1, 1958	90⅞	6.19
Paris - Lyons - Med. Railroad Co.	7 % Sept. 15, 1958	107	6.45
Republic of Costa Rica (Pacific Rwy.)	7½% Sept. 1, 1949	75	10.56
Republic of Finland ..	5½% Feb. 1, 1958	82¼	6.92
Republic of Peru	6 % Dec. 1, 1960	39¾	—
Rhine Westphalia Electric Power Corp. w.w.	6 % Aug. 1, 1953	79	8.03
Saxon Public Works ..	6½% May 1, 1951	77⅜	8.86
Saxon State Mortgage Institution	6½% Dec. 1, 1946	78	9.14
Toho Electric PowerCo. (Japan)..	6 % Dec. 1, 1960	89	6.87
Tokyo ElectricLightCo. (Japan)..	6 % June 15, 1953	88	7.07
Ujigawa ElectricPower Co. (Japan)	7 % Mar. 15, 1945	100	7.00
U. S. of Brazil	6½% Oct. 15, 1957	64	—
Anaconda Copper Mining Co.	Common Stock	33	—
Baltimore & Ohio Railroad Co.	Common Stock	78¼	—
Belgian National Rway. Peptg. Pfd. Stock ..	6 % (Amn.Shares)	80¼	—
Pennsylvania Railroad Co.	Common Stock	61	—
Standard Oil Co. of New York	Common Stock	22⅜	—
United Aircraft & Transport Corp. ..	Common Stock	24½	—
Vacuum Oil Co.	Common Stock	58	—
Chicago Rapid Transit Co.	6½% July 1, 1944	81	9.21
CubanDominicanSugar Corp.	7½% Nov. 1, 1944	17	—
Pennsylvania - Dixie Cement Corp. ..	7% Cum. Pfd. Stock	52	—
State of Minas Geraes Series "A"	6½% Sept. 1, 1959	58	—

QUOTATIONS RECEIVED FROM LONDON OFFICE

Republic of China Gold Loan	5 % 1925	71	—
Chinese Govt. Re-org. (£) Loan Stamped ..	5 % 1913/60	66	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 % 1915/60	64	—
Chinese Govt. (Crisp Loan)	5 % 1912	50	—
Shanghai Nanking Railway	5 % 1904/08	59	—
Shanghai Hangchow Ningpo Railway ..	5 % 1908/38	78	—
Hukuang Railway ..	5 % 1911/1951	30½	—
TientsinPukowRailway	5 % 1908/09	33	—

NOTE: The above quotations are received by cable, and whilst believed to be correct, are not guaranteed.

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What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs Pieces; Mills—thousands;

MAYA MARU, December 18.
(Agents: Nippon Yusen Kaisha.)
From U. S. of America.

Copper Ingots	*Pls.*	840
Newspapers, Old	,,	12,249

TAKAOKA MARU, December 19.
(Agents: Nippon Yusen Kaisha)
To U. S. of America.

Tea Black, Hankow...	*Pls*	347
Antimony, Regulus	,,	420
Brassware	,,	6
Bags, Gunny, Waste	,,	878

GOLDEN PEAK, December 19.
(Agents: States S. S Co)
To U. S. of America.

Silk Pongees, Honan	*Pls*	42,30
Hair, Human	,,	69
Cotton Rags	,,	46
Oil, Wood	,,	4,620
Seed, Sesamum	,,	25,964

TRIUMPH, December 19.
(Agents: Lloyd Everett, Incorporated.)
From U. S. of America.

Iron and Steel, Ungalvanized:		
Pipes	*Pls.*	5
Plate Cutting	,,	1,677
Iron and Steel, Galvanized:		
Pipe Fittings	,,	42
Wire Shorts	,,	1,176
Indigo Paste, Artificial:		
20 per cents. strengh	,,	477
Grease, Lubricating, Mineral	,,	45
Tobacco, Leaf	,,	3,404
Tobacco, Stalk	,,	2,467
Oil, Kerosese, in Case ...	*Galls.*	52,500

HEIAN MARU, December 20.
(Agents: Nippon Yusen Kaisha.)
To U. S. of America.

Silk, Raw, Filature:		
Wild, Dairen..... *Bls.* 30	*Pls.*	31.44
Hair, Human	,,	68

SILVERASH, December 20.
Agents: Glen Line Eastern Agencies, Ld.
From U. S. of America

Cotton, Raw..... *Bls.* 6	*Pls.*	21
Gum Resin	,,	4,324
Indigo Paste, Artificial:		
20 per cent. strength	,,	2,157
Petrolatum	,,	49
Tobacco, Leaf	,,	11,732
Cigars	*Mille*	15

ROSEVILLE, December 20.
(Agents: O. Thoresen & Co.)
To U. S. of America.

Egg Albumen, Dried	*Pls.*	252
Egg Yolk, Dried	,,	192
Brassware	,,	88
Bristles, Assorted	,,	51
Cotton Waste	,,	38
Feathers, Duck	,,	71
Feathers, Goose	,,	11
Seed, Sesamum	,,	31,069
Woodware	,,	9
Wool, Sheep's	,,	1,247

JASON, December 20.
(Agents: Butterfield & Swire.)
From U. S. of America.

Iron and Steel, Ungalvanized:		
Tubes	*Pls.*	479
Tinned Plates, Plain	,,	91
Iron and Steel, Galvanized:		
Hoops	,,	102
Tubes	,,	246
Pipe Fittings	,,	125
Grease	,,	106
Tobacco, Leaf	,,	1,854
Wax, Paraffin	,,	842
Oil, Kerosene, in bulk	*Galls.*	105,947
Oil, Lubricating, Mineral	,,	18,955

TAIYUAN, December 22.
(Agents: Dodwell & Co)
To U. S. of America.

Silk, Raw, Steam Filature:		
Yellow, T'sao... *Bls.* 30	,,	29.02

PRESIDENT ADAMS, Dec. 22.
(Agents: Robert Dollar Co.)
From U. S. of America.

Cotton, Raw:		
American ..... *Bls.* 600	*Pls*	2,183
Cotton Thread, Embroidery	,,	6
Fish, Dried	,,	17
Fruits, Dried	,,	184
Canned Fruits	,,	60
Ink, Printing	,,	42
Indigo Paste, Artificial:		
20 per cent. strength	,,	1,400
Indigo Grains, Artificial:		
60 per cent strength	,,	40
Oranges, Fresh	,,	68
Newspapers, Old	,,	756
Petrolatum	,,	74
Raisins	,,	62
Sulphur Black	,,	412
Chocolate	*Lb.*	2,148
Coffee	,,	288
Rubber Tires, Pneumatic:		
For Motor Cars & Trucks	*Pcs.*	944
Rubber Inner, Tubes:		
For Motor Cars & Trucks	,,	460
Motor-cars, Parts of.....	*G Units*	8,368
Dyes, Aniline...	*Pkgs.* 396 ,,	35,934

TAIAN MARU, December 23.
(Agent: Nippon Yusen Kaisha.)
To U. S. of America.

Silk, Waste:		
Shanghai..... *Bls.* 25	*Pls.*	78,01
Antung	,,	37.65
Antimony Regulus	,,	2,153
Bristles, Assorted	,,	15

HAVANA MARU, December 24.
(Agents: Osaka Shosen Kaisha)
To U. S. of America.

Silk, Waste:		
Antung..... *Bls.* 9	*Pls.*	27.09
Tea, Black, other kinds,		
Foochow	,,	42
Antimony, Regulus	,,	840
Cotton, Waste	,,	199
Egg Albumen, Dried	,,	41
Oil, Tea	,,	308
Oil, Wood	,,	5,040
Seed, Sesamum	,,	218

PRESIDENT GRANT, Dec. 24.
(Agents: Robert Dollar Co.)
To U. S. of America.

Silk, Raw, Re-reeled:		
White, Soochow *Bls.* 60	*Pls.*	59.02
Silk, Raw, Steam Filature:		
White, S'hai ... *Bls.* 65	,,	64.55
White, Soochow *Bls.* 30	,,	30.52
Yellow, Chungking ,, 10	,,	10.00
Silk, Raw, Reeled from Doupions:		
Shanghai..... *Bls.* 65	,,	63.99
Silk Piece Goods	,,	1.20
Tea, Green:		
Gunpowders Ningpo...	,,	819
Young Hyson, Hangchow	,,	195
Antimony, Regulus	,,	1,260
Brassware	,,	15
Feathers, Duck	,,	75
Fgg, Whole Egg, Dried	,,	138
Hair, Human	,,	35
Interestines, Sheep	,,	3
Walnuts, Kernels	,,	103
Skins, Dog, Dressed	*Pcs.*	2,000
Skins, Rabbit, Untanned	,,	17,000
Skins, Lamb, Untanned...	,,	3,317

PRESIDENT CLEVELAND, Dec. 26
(Agents: Robert Dollar Co.)
From U. S. of America.

Canned Asparagus	*Pls*	105
Canned Awabi	,,	230
Canned Fruits	,,	97
Cotton, Raw:		
American..... *Bls.* 304	,,	1,075
Flour, Wheat	,,	735
Macaroni	,,	56
Milk, Evaporated	,,	86
Orange, Fresh	,,	14
Newspapers, Old	,,	1,420
Raisins	,,	78
Shrimps, Dried	,,	530
Soda, Ash	,,	840
Soda, Silicate of	,,	300
Coffee	*Lb.*	1,640
Lemons, Fresh	*Crs.*	45,450
Rubber Tires, Pneumaric:		
For Motor Cars & Trucks	,,	693
Rubber Inner Tubes:		
For Motor Cars & Trucks	,,	417
Motor Cars and Trucks,		
Parts of	*G. Units*	3,310

EMPRESS OF RUSSIA, Dec. 27.
(Agents: Canadian Pacific Rl'y Co.)
From U. S. of America.

Treasure:		
Silver Bare.....	*G. Units*	78,567

GERTRUDE MAERSK, Dec. 27.
Agents: Rioka Soko Kabushiki Kaisha.
From U. S. of America

Iron and Steel, Ungalvanized:		
Bar Ends	*Pls*	506
Tubes	,,	119
Tinned Plates, Scraps..	,,	122
Tinned Plates, Strips..	,,	384
Iron and Steel, Galvanized:		
Tubes	,,	161
Wire Shorts	,,	1,419
Ink, Printing	,,	83
Paper, Blotting	,,	4
Paper, Cardboard	,,	13
Paper, Duplex Board...	,,	818
Paper, Writing	,,	119
Tobacco, Leaf	,,	8,066
Tobacco, Stalk	,,	149
Turpnentine, Vegetable...	*Galls.*	800
Machinery, & Parts of..	G. Units	43,935
Motor-cars, Ports of	,,	642
Treasure:		
Silver Bars	,,	442,902

GOLDEN HIND, December 29.
(Agents: States S. S. Co.)
From U. S. of America.

Iron and Steel, Ungalvanized:		
Cable Strippings, Old...	*Pls.*	388
Grease	,,	298
Newspapers, Old	,,	1,499
Oil, Lubricating, Mineral	*Galls.*	15,872
Paints:		
Enamels	,,	446
Varnishes	,,	424
Unclassed	,,	826

IBUKISAN MARU, Dec 30.
(Agents: Mitsui Bussan Kaisha)
From U. S. of America.

Cotton, Raw:		
American ... *Bls.* 3,630	*Pls.*	13,090

LIBERATOR, December. 30.
(Agents: Lloyd Everett, Incorporated.)
From U. S. of America.

Cotton, Raw... *Bls.* 42,47	*Pls.*	15,455
Wax, Paraffin	,,	419
Oil, Lubricating, Mineral	*Galls*	71,215
Oil, Kerosene, in Case...	,,	366,000

SILVERWILLOW, December 30.
Agents: Glen Line Eastern Agencies, Ltd.
From U. S. of America.

Cotton, Raw:		
American ... *Bls.* 2,002	*Pls*	7,214
Aluminium	,,	81
Aluminium foil	,,	44
Iron and Steel, Galvanized:		
Pipe Fittings	,,	8
Wire Shorts	,,	1,902
Iron and Steel, Galvanized:		
Pipe Fittings	,,	152
Tinned Plates, Plain...	,,	1,630
Starch, Corn...	,,	357
Indigo Paste, Artificial:		
20 per cent. strength	,,	5,842
Tobacco, Leaf	,,	20,078
Oil, Lubricating, Mineral	*Galls.*	4,661
Dyes, Aniline	*Pkgs* 187..	*G. Units* 9,342

EAST LYNN, December 31.
(Agents: States S. S. Co.)
From U. S. of America.

Cotton, Raw:		
American ... *Bls.* 1,698	*Pls.*	5,539
Meer Extract Powder...	,,	268
Oil, Lubribating, Mineral..	*Galls.*	4,079

PRESIDENT LINCOLN, Dec. 31.
(Agents: Robert Dollar Co.)
To U. S. of America.

Silk, Raw, Steam Filatures:		
White, S'hai... *Bls.* 85	*Pls.*	83.38
Yellow, Chungking,		
etc ..... *Bls.* 25	,,	25.73
Wild Dairen... ,, 140	,,	145.35
Silk, Raw, Reeled from Doupions:		
Shanghai ..... *Bls.* 75	*Pls.*	74.06
Silk Piece Goods	,,	1.40
Tea, Green:		
Gunpowder, Hangchow	,,	14
Gunpowder, Ningpo...	,,	265
Egg Yolk, Dried	,,	57
Brassware	,,	66
Cotton Yarn, Grey	,,	40
Feathers, Duck	,,	50
Oil, Tea	,,	335
Oil, Wood	,,	859
Seed, Sesamum	,,	7,560
Skins, Lamb, Untanned...	*Pcs.*	3,000
Hats, Buntal Fibre	,,	6,000
Hats, Hemp		1,200

PRESIDENT HARRISON, Jan. 6.
(Agents: Robert Dollar Co.)
To U. S. of America.

Silk, Waste:		
Shanghai ..... *Bls.* 15	*Pls.*	50.30
Antimony Regulus	,,	1,630
Horse Hair	,,	113
Feathers, Duck	,,	99
Soapstoneware	,,	111
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THE CHINA WEEKLY REVIEW

38 AVENUE EDWARD VII **SHANGHAI**

The vital necessity of knowing and understanding!

WHO'S WHO IN CHINA

One would not think of residing in, or doing business on a large, or even moderate scale, in any country without making a serious effort to know and understand the political, business, financial and professional leaders of that country. This is particularly true of China where shifting political and economic conditions are always linked up with individuals who thus exercise tremendous influence upon the course of events.

As a direct result of the desire to know the individuals who are leaders of affairs, private and governmental, there has been published in practically every country a book popularly known as "Who's Who," which contains biographical sketches of the great and near-great. Thus we have "Who's Who in America," Who's Who in Great Britain," "Who's Who in Japan," Germany, France, Italy, and so on.

The compilation of a "Who's Who in China," containing the pictures and biographical sketches of political, business, financial and professional leaders of China in the English language. was started in 1917, some thirteen years ago. The first volume, published in 1918, contained only 59 biographical sketches, but the second volume, published in 1920, contained 153. Since that time the book has grown until the volume published in 1926-1927 contained more than 500 biographical sketches.. In 1928 a supplement was issued containing more than 100 sketches of new leaders, chiefly these who emerged as a result of the Nationalist Revolution which brought new figures to the helm in both business and politics.

Work has now started on the 1930 edition, which will be the most ambitious publication of the kind ever attempted in Asia. It will be all-inclusive in that will include a complete record of all leaders in the country in the fields of politics, business, finance and the professions. It will be well bound, printed on good paper stock, 8-in by 10½-in, of more than 1,000 pages, and will be a welcome addition to any business office or home library.

The value of this book will immediately be realized by all foreigners as well as Chinese who are interested in the commercial, financial and political affairs of China, due to the vital nccessity of knowing intimately the men who are directing the affairs of contemporary China.

Owing to the heavy expense of publication, it is necessary to know as far as possible, how many copies will be desired by the public, hence this offer of a reduced price to advance subscribers of $10 a copy, the price after publication being $12, (Chinese Currency).

Please fill out the attached form and mail immediately.

(ATTACH THIS COUPON TO YOUR CHECK)

MILLARD PUBLISHING COMPANY
Publishers of
WHO'S WHO IN CHINA
(Biographies of Prominent Chinese)
38 Avenue Edward VII
SHANGHAI.

Shanghai,.....1930.

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Name.....
Address.....

NOTE: *In case they are not already included, I would recommend the inclusion of the biographies of the following Chinese in the forthcoming edition of Who's Who:—.....*
.....
.....

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5 % AND SAFETY

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STATEMENT OF FINANCIAL CONDITION, DECEMBER 31, 1930

Expressed in Shanghai Dollars

ASSETS		LIABILITIES	
First Mortgages on Improved Real Estate (Appraised by bank's appraisers at $716,805.00),	$333,055.56	Savings Deposits *(1255 accounts),*	$744,209.84
Loans Against Collateral,	154,578.40	Capital,	500,000.00
Other Secured Loans,	2,061.11	Surplus and Undivided Profits,	31,413.41
Real Estate—At Cost,	177,777.78		
Bonds and Preferred Shares—At Cost,	286,450.47		
Accrued Interest, Rents, and Dividends Receivable,	5,751.43		
Furniture, Fixtures, etc. $8,612.66 *Less depreciation,* 861.27	7,751.39		
Cash in Banks and on Hand,	358,197.11		
Total	$1,275,623.25	Total	$1,275,623.25

Bonds and shares owned

Cathay Land Co., Ltd., 6% First Mortgage Debentures,	$84,721.35
Fonciere et Immobiliere de Chine, 6% First Mortgage Debentures,	69,791.66
International Investment Trust Co., 6% Trust Collateral Debentures,	34,888.85
Asia Realty Co., 6% First Mortgage Debentures,	34,548.61
Shanghai Power Co., Tls. 6.00 Preference Shares,	62,500.00
Total,	$286,450.47

CERTIFICATE

We have examined the accounts of the Underwriters Savings Bank for the Far East, Inc., as at the close of business, December 31, 1930, and

WE HEREBY CERTIFY that in our opinion the above statement sets forth the financial condition of the bank at that date.

Haskins & Sells
Certified Public Accountants

5 % AND SAFETY